2020

UNIVERSAL # REGISTRATION # DOCUMENT

ANNUAL FINANCIAL REPORT INCLUDED

cegedim

UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

This Universal Registration Document has been filed on April 16, 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of the Registration Document are available for free from Cegedim SA at 137, rue d'Aguesseau, 92100 Boulogne-Billancourt, France, and on the website: www.cegedim.com/finance

This is a free translation into English of the "Universal Registration Document 2020" issued in French and is provided solely for the convenience of English speakers readers. This document should be read in conjunction with, and construed in accordance with, French law professional auditing standards applicable in France.

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF


SUMMARY

FY 2020 REVENUE	EMPLOYEES	COUNTRIES	% OF REVENUE
€496.9m	5,311 - Dec. 2020	+10	+84% - from healthcare space

The big picture | This is 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 5,300 people in more than ten countries and generated revenue of close to €500 million in 2020. Cegedim SA is listed in Paris (EURONEXT: CGM).

A strong European presence

Our businesses

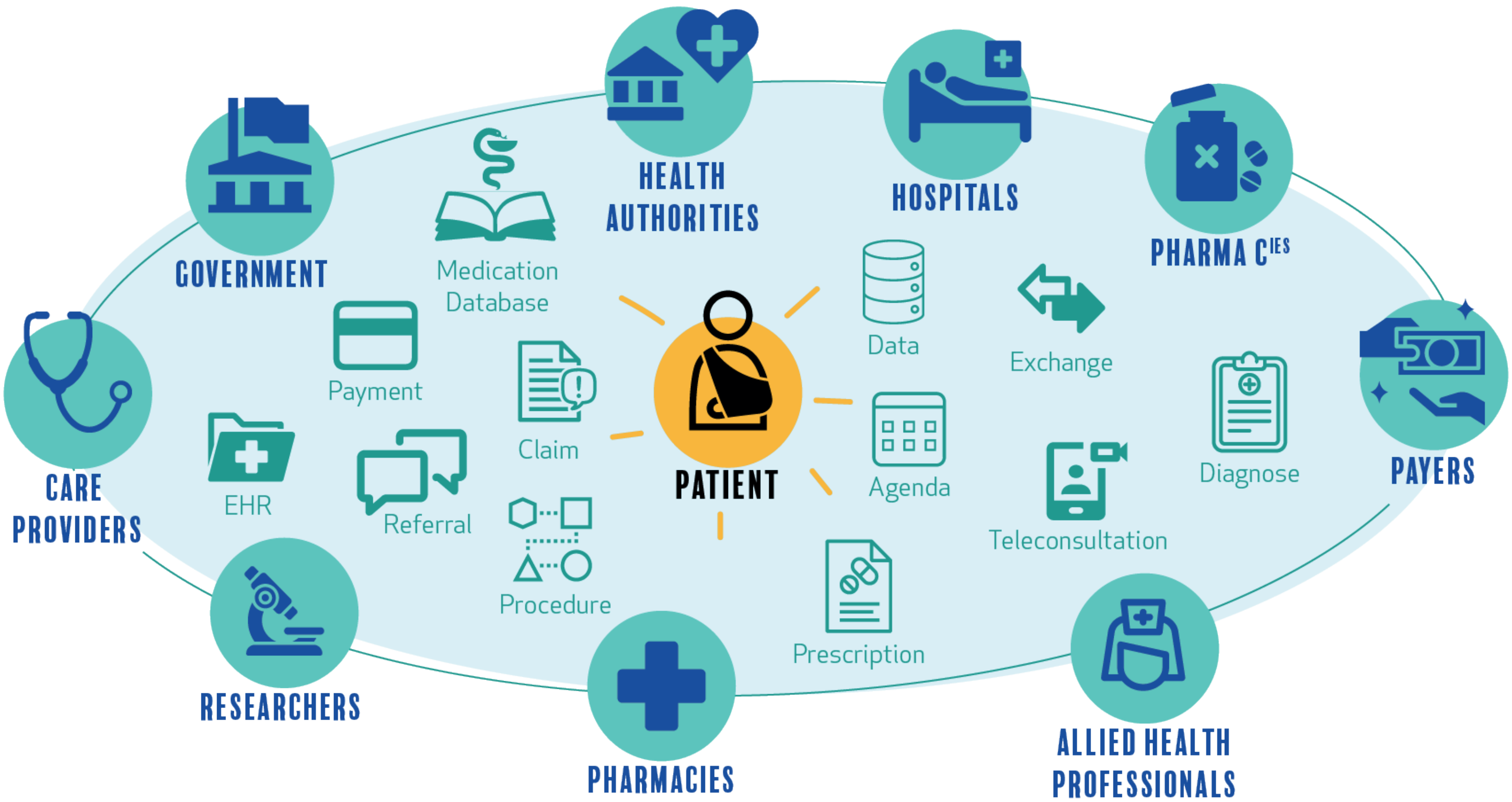
Software & Services
56%
of FY 2020 Group revenue

Flow
16%
of FY 2020 Group revenue

BPO
10%
of FY 2020 Group revenue

Data & Marketing
18%
of FY 2020 Group revenue

The big picture | We are the leading integrated player in healthcare, with a unique ecosystem



The big picture | Cegedim in 2020

"Amid tough conditions, the Group showed its resilience, with 2020 revenues virtually stable like for like and recurring operating income up 12%. After the first lockdown, revenues returned to like-for-like growth of 1.9% in the third quarter, and the recovery picked up speed in the fourth quarter with growth of 2.3% . The reason for the resilience is our unique position within the healthcare ecosystem, our recurring businesses, and sustained investment in innovation. We are confident we can top our 2020 performance."

Laurent Labrune | Cegedim Group Deputy Managing Director

Q1	Q2	Q3	Q4
+3.3%	(8.0)%	+1.9%	+2.3%
€121.5m	€114.7m	€118.9m	€141.8m
Revenue	Revenue	Revenue	Revenue

HY	9M	FY
(2.5)%	(1.1)%	(0.2)%
€236.2m	€355.1m	€496.9m
Revenue	Revenue	Revenue
(50.1)%		+11.8%
€6.3m		€41.5m
Recurring Operating Income		Recurring Operating Income

Covid 19 lockdown

Covid 19 lockdown

The big picture | Financial key indicators

€496.9m
Revenue

—

€41.5m
Recurring Operating Income (REBIT)

—

8.3%
REBIT margin

—

€10.8m
Net income attributable to owners of the parent

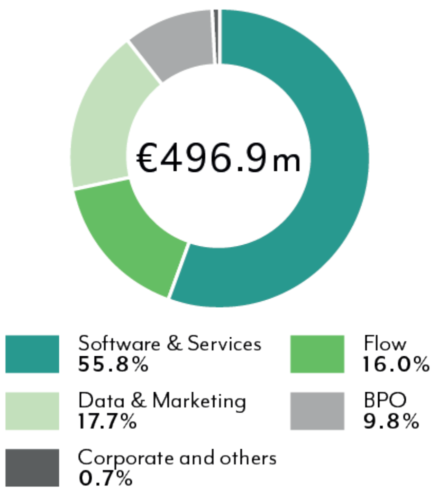
—

+€46.9m
Free cash flow from operations

—

€74.5m
Capital expenditures
excluding acquisitions / disposals

Revenue by business in 2020



Capital employed

Maturity schedule of gross debt

EURO PP	October 8, 2025	€135m
RCF	October 9, 2024	€65m undrawn
FCB Loan	November 20, 2025	€45m

Overdraft €24m unused

The big picture | Our core division in 2020

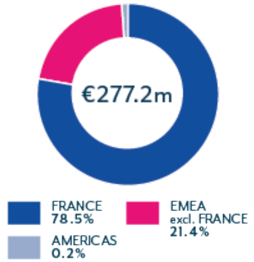
Software & Services

Licenses, SaaS, internet services, maintenance, integration, hosting for healthcare professionals in France, the UK, Romania, Spain, Belgium, and Italy, health insurance companies in France and the UK, and HR departments in France.

56%
of FY 2020
Group revenue

Revenue growth
(3.4)%
Reported
(0.7)%
Like-for-like

€277.2m
Revenue
—
€23.5m
REBIT
—
8.5%
REBIT margin



Geographical mix

See section 3.2.1.1

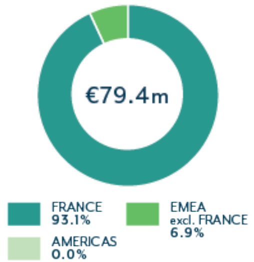
Flow

Digitalization of processes and invoices in healthcare and other sectors in France, the UK, and Germany.

16%
of FY 2020
Group revenue

Revenue growth
(1.5)%
Reported
(3.6)%
Like-for-like

€79.4m
Revenue
—
€10.4m
REBIT
—
13.0%
REBIT margin



Geographical mix

See section 3.2.1.2

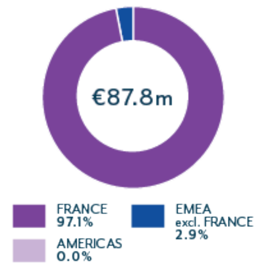
Data & Marketing

European Health database and studies used by health authorities, governments, healthcare professionals, and pharma companies in France, the UK, Romania, Spain, Italy and Germany. Digital and print marketing at pharmacies in France. Digital marketing for French doctors.

18%
of FY 2020 Group revenue

Revenue growth
+2.4%
Reported
+2.4%
Like-for-like

€87.8m
Revenue
—
€11.4m
REBIT
—
13.0%
REBIT margin



Geographical mix

See section 3.2.1.3

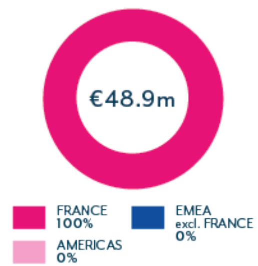
BPO

Business process outsourcing for health insurance companies, mainly claims processing, and HR departments in France, with offshore centers in Romania and Morocco.

10%
of FY 2020 Group revenue

Revenue growth
+3.9%
Reported
+3.9%
Like-for-like

€48.9m
Revenue
—
€(0.2)m
REBIT
—
(0.5)%
REBIT margin



Geographical mix

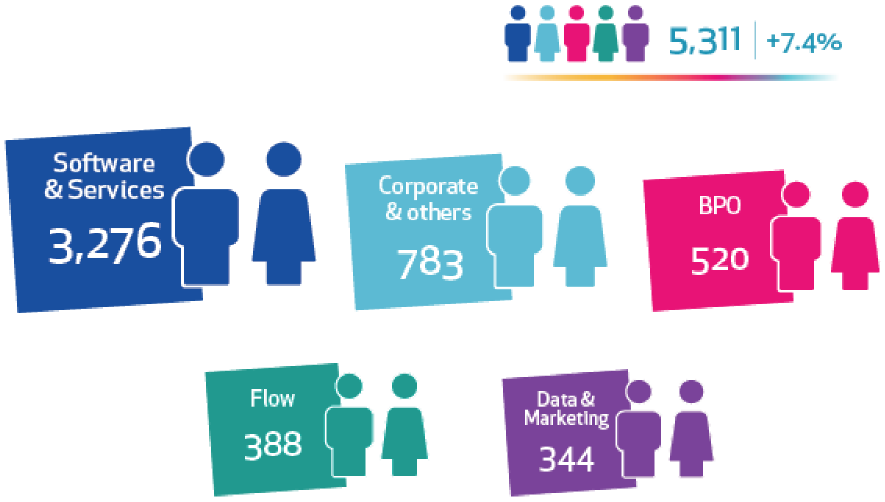
See section 3.2.1.4

The big picture | Employees

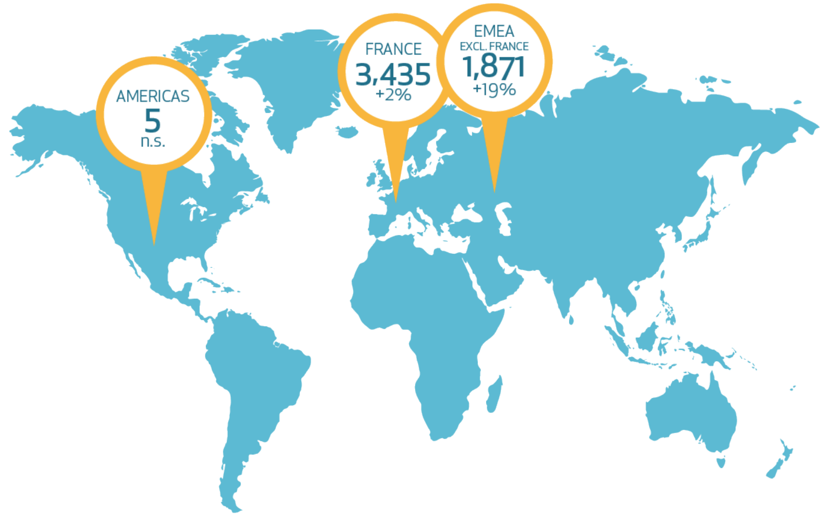
5,331
Employees

45%
Of employees are female

6%
Employee-initiated departure rate



Employees by division



Employees by country

The big picture | ESG (2020 | 2019)

447 | 456
Datacenter GHG emissions

+18% | +11%
Increase in number of virtual servers (13 virtual servers for every physical)

100%
Completion of the security checklist

2 | 2
Number of Ethics Committee meetings

7 | 6
Number of translations of the Ethics Charter

6 | 1
Number of languages available in the "Ethics Charter" e-learning course

40% | 40%
Women board members

30% | 30%
Independent board members

The big picture | Mega trends affecting our markets

Ageing population & Chronic disease
Increasing demand for healthcare services driven by aging population and growth in chronic disease.

Shift towards outcome-based care
Incentive to use IT to increase efficiency.

Fragmented care
One patient – several conditions – numerous physicians.

Greater patient engagement
Patients increasingly seek to engage about their health and select and organize their care teams.

More stringent regulation
- Quality standards are becoming more stringent due to new regulations;
- Higher investment needed to comply with new regulation;
- Software CE certified as a medical device.

Shift towards ambulatory care
Demand is growing for treatment to occur at the patient's home rather than at expensive secondary care facilities.

Staff shortage
The global health workforce shortage will increase further in coming decades and create medical deserts.

Cost pressure
Healthcare systems are no longer sustainable from a financial standpoint.

Digitalization
- Changing the way care is delivered and payments are made;
- Big data analytics;
- Artificial intelligence.

Covid-19
Long-term trends accelerated by the Covid-19 pandemic.

The big picture | Our 3 pillars

Innovation

14.9%
R&D effort*

€50.8m
Capitalized R&D

1,338
R&D employees

Our innovation capabilities are based on our:

Software factory

- Streamlined and agile R&D organization
- Industrialized
- Talented people
- Offshore platform

Quality and compliance

- GDPR
- HDS
- ISO 27001, ISO 20000, ISO 27017, ISO 27018 and ISAE 3402
- Regulation

Collaboration

- Customer-driven products and services development

Technology platform

- Cloud enabled
- Web and mobile
- Cegedim datacenters

** Payroll expenses for the R&D workforce as a percentage of consolidated revenue*

Financial discipline

Cegedim senior management works constantly to optimize the way the Group is organized, to ensure that information is shared, and to reinforce the Group's customer-oriented culture.

The goal is to generate savings from synergies, streamlined tools and processes, and more productive teams.

The management control officers assigned to Group operations are notably responsible for implementing targeted metrics within each business unit as a function of the specific needs expressed by operational staff, and for lending support to operational teams with regards to financial aspects.

M&A

The Group's financial investments reflect its strategy of expanding in its markets in the healthcare sector and other sectors. The main driver of international expansion is a desire to support its customers in their markets.

The Company regularly looks into acquisition opportunities that are consistent with this strategy. It does not actively and methodically search for targets. However, it does constantly monitor potential targets in-house so it can seize the best opportunities when they arise.

The big picture | Our business model and growth strategy

Our competitive advantage comes from:

Innovation

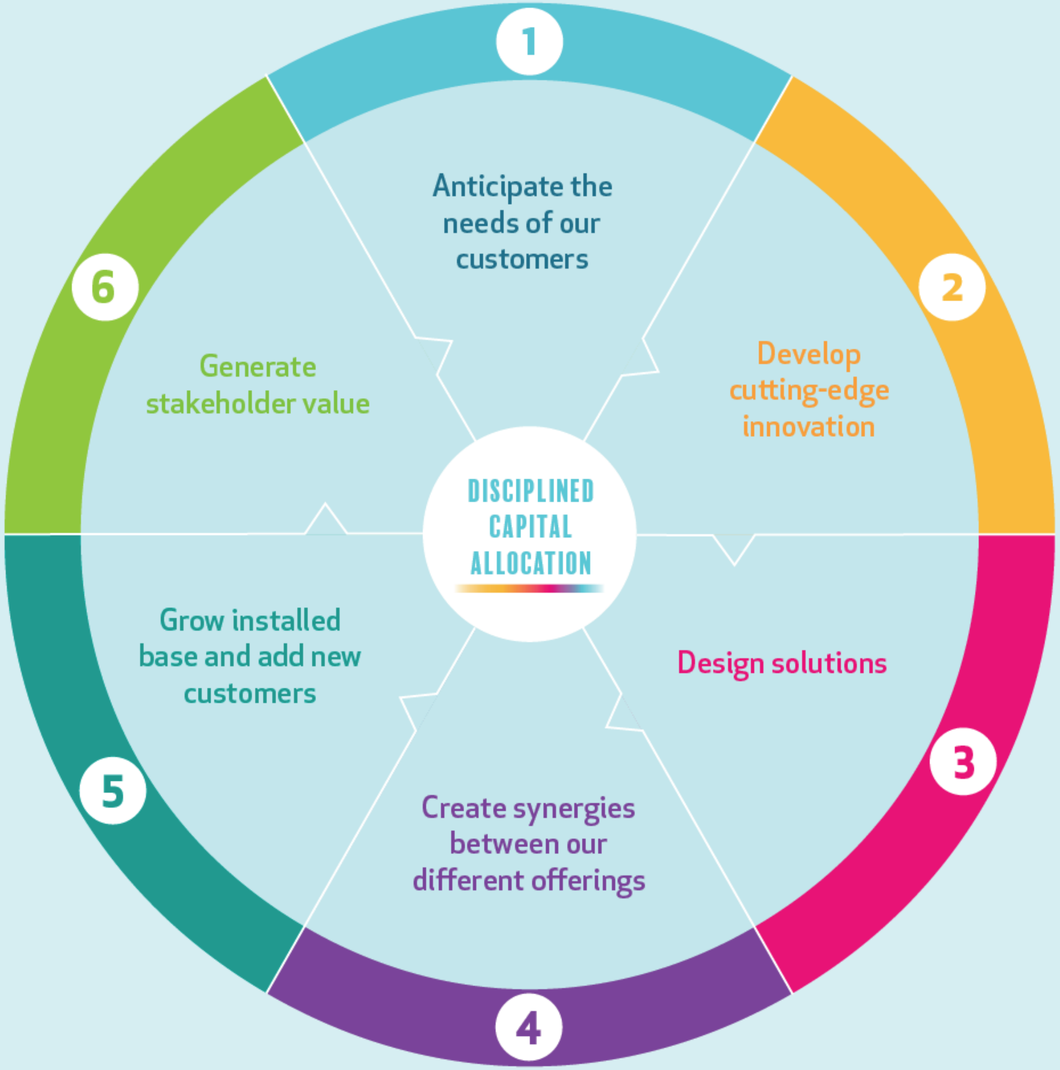
See page 11

A unique integrated healthcare ecosystem

See page 3

A complete range of offerings: Software, Services, Flow, Data, Marketing and BPO

See page 6 & 7



The big picture | Our business model and growth strategy

1

Anticipate the needs of our customers

Due to our unique position in the healthcare ecosystem, we maintain incredibly close relationships with our customers in order to anticipate and understand the future of healthcare, process digitalization, and HR management. We have built this position through years of experience in delivering for our markets.

These specific insights allow us to match customer expectations with market insight to forecast trends, and to adapt to opportunities and threats.

2

Develop cutting-edge innovation

In 2020, our R&D teams reached 1,338 people, and we capitalized €51 million of R&D. Since 2015 Cegedim has embarked on a major redevelopment program to transform its entire product suite into a series of modern SaaS products and interoperable Apps.

For more details on our innovation capacities, see the "*2020 Highlights*" in this chapter, for each division, and chapter 3 point 3.3.2 "*Operating investments*" section "*Research and development at the Cegedim Group level*" and point 3.9 "*Research and development at the Cegedim SA level*".

3

Design solutions

From our cutting-edge technologies, we design solutions to create the greatest value for our customers. Our R&D team, software factory, market insight, and operational excellence support this activity.

4

Create synergies between our different offerings

We are unlocking the massive potential of the Group by creating synergies between our different offerings.

5

Grow installed base and add new customers

To grow our installed base, we rely on megatrends that create huge opportunities, SaaS transition, cutting edge solutions, upselling new products, modules, etc.

Acquisition also presents opportunities, among other things by giving us access to new clients, technologies or products. We can then sell our exciting products to our newly acquired customers or market the acquired technologies or products to our existing customers.

6

Generate stakeholder value

Our activities are global, complex and touch upon a wide variety of stakeholders. We aim to create trusted relationships with our investors, employees, customers, suppliers, and partners, as well as our communities, local and national authorities, and regulatory bodies.

To build a resilient business, we must understand the needs of all our stakeholders and continue to deliver value.

The big picture | Our economic contribution

Generated Value

€496.9m
FY 2020 revenue

€0.1m
Financial and other income

€497.0m
Total generated value

Distributed Value

€126.0m
Used to purchase goods and services from our **suppliers**

€9.0m
In financial costs for our **capital providers**

€6.3m
Returned to the **community** by paying corporation tax, other taxes, and duties

€256.2m
Used for **employee** wages, pensions, etc.

€75.5m
Reinvested in Cegedim for future value generation

The big picture | A brief history of the Group structure

1969
Jean-Claude Labrune founds Cegedim (CEntre de GEstion, de Documentation, d'Informatique et de Marketing) to provide IT solutions for the healthcare sector.

1972
Creation of the first computerized database of doctors.

1979
Launch of the CRM division in France.

1990
International expansion begins.

1991
Launch of the first electronic data interchange platform.

1994
Launch of computerization solutions for doctors in France, for promotional efforts aimed at doctors and pharmacists, and for HR management.

1995
IPO on the Paris Stock Exchange's Secondary Market. Cegedim is currently listed on Euronext Paris, Compartment B.

1997
Launch of the Claude Bernard Database (French acronym BCB), the first computerized drugs database.

1999
Computerization of health insurance and mutual health insurance companies.

2007
Acquisition of Dendrite International, Cegedim becomes the world leader in pharma industry CRM.

2015
Sale of CRM and Strategic Data division to IQVIA..

2015-2018
First phase of the business model transformation: Strategic repositioning by moving our offering to SaaS and developing Cloud, Digital and BPO offerings.

2018-2020
Second phase of the business model transformation: Maintain steady, sustainable, profitable growth momentum.

2021
Continue to innovate and focus on revenue growth, margin improvement, and cash flow generation.

Events in 2020 are presented in Chapter 4 and in the Consolidated Financial Statement Annexes, Note 3, of this document.

** Centre de Gestion, de Documentation, d'Informatique et de Marketing*

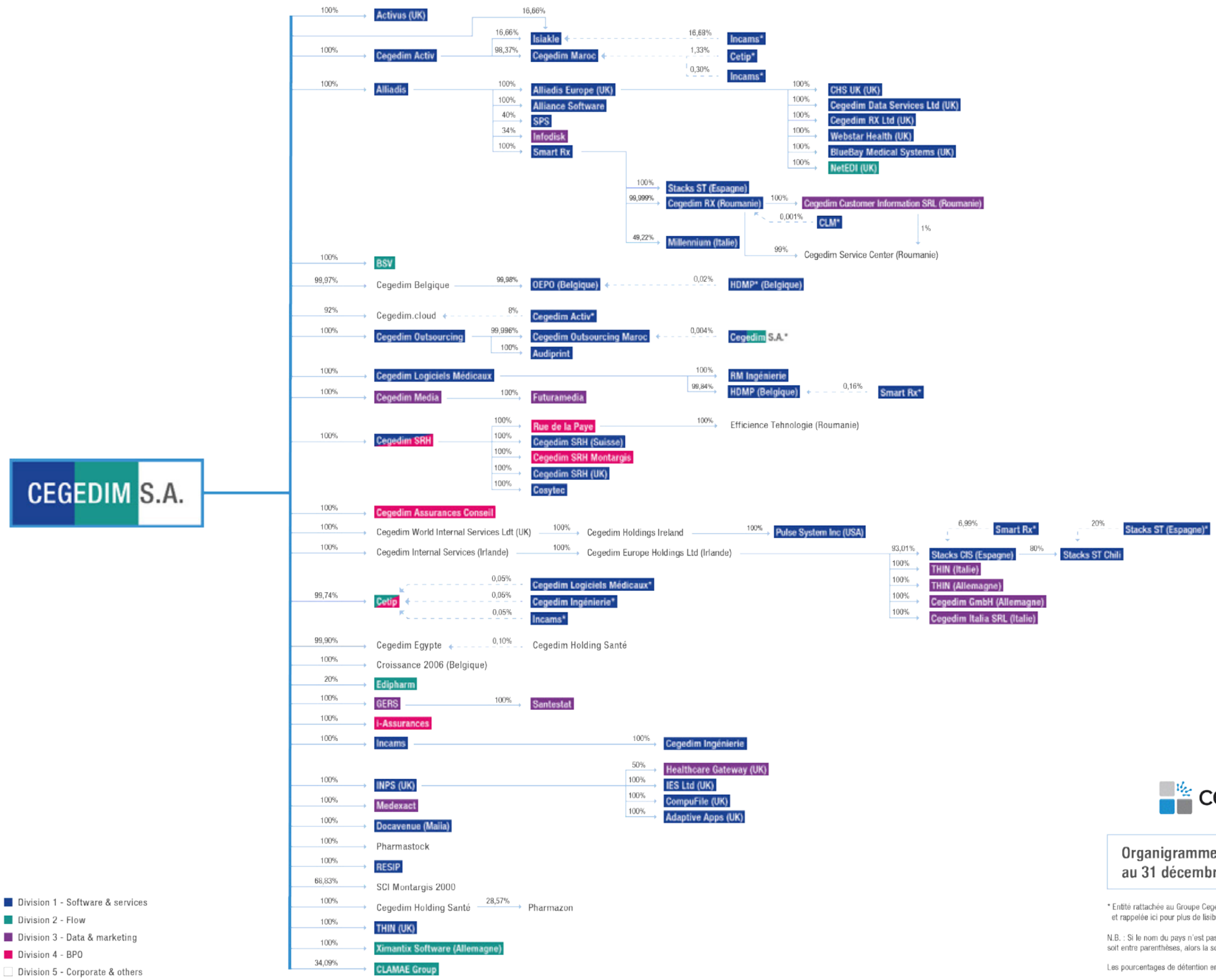

CEGEDIM'S EQUITY STORY
We are unlocking the massive potential of the Group by creating synergies between our different offerings
We are uniquely positioned to drive digitalization of the economy
Strong market position
Strong recurring revenue base
Stable customer base
Focus on free cash flow
A unique integrated healthcare ecosystem
All products in SaaS format
A refocused Group
Solid business model
Innovation is our Motto
Long-standing shareholder support
Entreprenarial culture

01

THE GROUP

1.1 Group structure

Cegedim SA's place within the Group	Cegedim SA is a subsidiary of FCB, the active holding company of Cegedim Group. It is the only Group company that is listed. Cegedim SA is listed on Euronext (since 1995) and does not belong to another group. Cegedim SA operates in the following areas: - **Information technologies and R&D:** it develops and upgrades most of the IT tools the Group's other departments and subsidiaries use to provide the services they sell; - **Centralized services:** it handles payroll processing, employee management, billing, accounting, and monthly reporting. It does so in a manner consistent with the security, assurance, and confidentiality principles applied in IT managed services. The centralized services activity also handle tax, legal, labor, accounting, organization, audit, insurance, procurement, external communication, and copyright issues. Each month, these expenses are assigned to the Group's subsidiaries using a specific allocation formula for each family of services. Cegedim SA also has an operational role through the following business units: - **Cegedim e-business**, a paperless solutions specialist since 1989, designs, develops, and markets invoice digitization, probative value storage offers, and EDI. This business unit develops and markets the following products and services: SY by Cegedim, Hospitalis, SY Pharma, Diagdirect, and Careweb. - **Cegedim.cloud** has extensive expertise in managed services for pharmaceutical companies, insurers, and healthcare networks, and in the management of financial flows and paperless documents. Due to their strategic and sensitive nature, these activities have led the Group's teams to devise architectures with very high availability that meet the security requirements of its customers and, above all, comply with the standards governing the hosting of medical records.
List of Cegedim subsidiaries	The Group's subsidiaries, their country of origin, and the Group's equity stake are listed in Chapter 4, Section 4.6, Note 5 "Consolidation Scope", of this Universal Registration Document. More detailed information on the activities of the Group's main subsidiaries is provided in Section 1.2 "Activities" of this Chapter. The Group's legal ownership structure is shown on the next page.
Information on major subsidiaries and affiliates	Cegedim's equity investments are presented in the organizational chart on the next page of this Universal Registration Document. They are included in the Group's consolidated financial statements in accordance with the methods presented in the accounting principles of the consolidated financial statements in Chapter 4, Section 4.6, Note 22. The subsidiaries whose individual contributions to consolidated revenues exceeded €30 million at 31 December 2020, are: Cegedim SRH, Cetip, Cegedim Activ, GERS Data, Cegedim SA, Smart Rx, and Cegedim Media.



Organigramme du Groupe Cegedim au 31 décembre 2020

* Entité rattachée au Groupe Cegedim figurant par ailleurs sur l'organigramme et rappelée ici pour plus de lisibilité.

N.B. : Si le nom du pays n'est pas explicite soit dans le nom de la société, soit entre parenthèses, alors la société est française.

Les pourcentages de détention en capital et en droit de vote sont identiques.

1.2 | Activities

1.2.1 | Software & Services Division

56%
Consolidated Group revenue

Software & Services

Key figures

In millions of euros	31/12/2020	31/12/2019	Change %	Change €m
Revenue	277,2	286,9	-3,4%	-9,7
Recurring operating income(1)	23,5	19,4	+21,1%	+4,1
Recurring operating income(1) margin	*8,5%*	*6,8%*	*+171 bp*	-
Employees	*3 276*	*3 167*	*+3,4%*	-

Products & services

Cegedim Activ | Software and services for insurance companies and mutuals | France

More than 43 million beneficiaries in France are managed with its solutions, making Cegedim Activ the leader* in software and services dedicated to personal insurance (health and personal protection insurance). It sells its products to all kinds of market operators: insurance companies, mutuals, provident institutions, and intermediaries.

** According to our in-house estimates, Cegedim Activ's customers managed more than 43 million beneficiaries in 2020 and 2019, making it the market leader.*

Activus | Software and services for insurance companies and mutuals | International

UK health and personal protection insurance software publisher Activus is a leader* in expatriate markets (Europe, US, Asia-Pacific, Africa). Activus is the international division of Cegedim Activ.

** Activus is one of the leading players in terms of the number of beneficiaries managed with its solutions, according to our in-house estimates.*

Cegedim Logiciels Médicaux (CLM) | Software and services for doctors | France

CLM offers solutions for doctors in private practices, hospital practitioners, health clinics, multidisciplinary health centers and communities of regional healthcare professionals (Communautés Professionnelles Territoriales de Santé, or CPTS). More than 25,000 healthcare professionals use its MLM (monLogicielMedical.com), Crossway, and MédiClick software.

Maiia | Teleconsultation and appointment scheduling software for healthcare professionals | France

Maiia is a key player in the e-health assistance market via three offerings:

- An online appointment scheduling platform for patients (Maiia Agenda);
- Remote consultation, with or without an appointment, for patients who are alone or assisted by another healthcare professional (Maiia Téléconsultation);
- 100% online practice management for physical therapists (Maiia Gestion).

INPS (Vision) | Software and services for doctors | UK

INPS aims to increase its market share and become the leading supplier of interoperable apps in the primary care segment in the UK with its new Shared Care Solution, comprising Vision Anywhere, Vision Appointments, and Vision Tasks. This unique solution enables collaboration amongst multi-disciplinary teams, healthcare centers, consortiums, and primary car networks.

Stacks | Software and services for doctors | Spain and Chile

Stacks analyses, designs, and develops information systems for the healthcare sector. It is Spain's leading* doctor software publisher, with more than 30,000 users.

Stacks also offers healthcare professionals consulting and technical services: identifying, adapting, and integrating solutions. This involves working with specialized firms on complex technological transformation projects.

Stacks sells its products and services to hospitals, primary care centers, insurance companies, and multidisciplinary clinics.

The company has its own sales network covering all of Spain and also operates in Chile, South America.

** According to our in-house estimates, Stacks is the market leader in Spain in 2020 (as in 2019) in numbers of users/region.*

HDMP | Software and services for doctors | Belgium

HDMP is the number two* player in the electronic medical record market for general practitioners in Belgium, with Health One. It is also very active in out-of-hours care and health centers, with more than 3,000 customers.

** According to our in-house estimates, HDMP was one of Belgium's leading players in 2020 (as in 2019) in terms of the number of customers.*

Millennium | Software and services for doctors | Italy

Millennium, 49% owned by Cegedim, is Italy's leading* medical software publisher: more than 18,000 customers use its Millewin software. Millennium continues to strengthen its regional presence via software publisher Mediatec (40%-owned subsidiary), which focuses on general practitioners. Millennium now directly or indirectly equips about 24,000 physicians and has a 55% market share among Italian general practitioners.

** According to our in-house estimates, Millennium and its subsidiaries equipped more than 24,000 doctors in Italy in 2020, and is therefore the market leader (as in 2019).*

Smart Rx | Software and services for pharmacists | France

Smart Rx, Cegedim's French pharmacy software business has over 30 years' expertise in pharmacy IT solutions. It develops and markets comprehensive and integrated software solutions and supplies specialized IT equipment. Smart Rx delivers cutting-edge technological innovations, and meets its customers' professional needs with scalable, high value-added solutions.

Cegedim Rx | Software and services for pharmacists | UK

Cegedim Rx is the leading* provider of software and IT services to UK pharmacies. Pharmacy Manager, its Patient Medication Record (PMR) system, enables more than 32,445 users in pharmacies to process more than 744 million electronic prescriptions per year.

Cegedim Rx also installs computer hardware and secure networks, offers distribution services, support services and user training, and sells consumables.

** According to our in-house estimates, Cegedim Rx equipped over 30.3% of the UK's 14,280 pharmacies in 2020, and is therefore the market leader (as in 2019).*

Cegedim Rx | Software and services for pharmacists | Romania

Cegedim Rx develops and markets software solutions and related services for healthcare professionals in Romania. It is one of the country's leading* software providers for pharmacies, pharmacy chains, and individual practices.

** According to our in-house estimates, Cegedim Rx Romania equipped more than 37% of the pharmacists in this country in 2020, making it the market leader (as in 2019, with an identical market share).*

RM Ingénierie (RMI) | Software and services for allied health professionals | France

RM Ingénierie designed the first French practice management software for physical therapists in 1984 and now makes products for every sort of allied health professional: nurses, physical therapists, speech therapists, orthoptists, podiatrists, midwives, etc. Today, RMI has more than 50,000 clients in France.

RESIP / BCB | Medication and medical device database | France

RESIP (Research and Studies in Professional Information Systems) provides more than 63,000 healthcare professionals—not counting smartphone and tablet users—access to the Claude Bernard Database (French acronym: BCB), a scientific database to help them prescribe and fulfil prescriptions and medical devices. RESIP also publishes a SESAM-Vitale (French health scheme) invoice engine for healthcare software publishers.

Cegedim SRH | Software and services for HR | France, Switzerland, Morocco, and Romania

Cegedim SRH is a major player in the market for payroll / HR solutions and services, with more than 8.5 million payslips issued annually. It has more than 25 years of expertise in HR outsourcing and its clients include mid-market companies, large corporations, SMEs, small businesses, and accounting firms. Cegedim SRH offers Human Resources departments Teams RH, a complete, modular HRIS platform via SaaS.

Cegedim Outsourcing | Outsourcing | France and Morocco

Cegedim Outsourcing serves businesses of all sizes through its two divisions:

- IT Digital Workspace: dedicated technology solutions integration (centralized user management, hyperconvergence, unified collaboration), managed services, and technical assistance services.
- BPO-Customer Relations: digitalization, contact center, and back office services.

Competitive position

Cegedim Activ | Software and services for insurance companies and mutuals | France

Cegedim Activ is the French leader* in the personal insurance digitalization market, with more than 43 million beneficiaries managed using its solutions.

In the French market for management software for health and personal protection insurance, its chief rivals are DXC, GFI, COOPENGO, and Wyde.

** According to our in-house estimates, Cegedim Activ's customers managed more than 43 million beneficiaries in 2020, making it the market leader.*

Activus | Software and services for insurance companies and mutuals | International

Internationally, the main competitors are FADATA, DXC, and Oracle, as well as other technology companies in specific local markets.

Cegedim Logiciels Médicaux (CLM) | Software and services for doctors | France

Cegedim Logiciels Médicaux is one of the market leaders. Its main rivals are Germany's CompuGroup, as well as Prokov Editions and Dr Santé. In the residential care facility segment, it competes with WEDA and ICT.

** According to our in-house estimates, Cegedim was one of the leading suppliers of software to healthcare professionals in 2020 (as in 2019) in terms of the number of workstations.*

Maiia | Teleconsultation and appointment scheduling | France

Once reimbursement for teleconsultations began on September 15, 2018, several competitors entered the market using various business models:

- Hellocare, Medaviz, and Doctolib offer teleconsultation solutions for doctors in private practice.
- Livi and Qare, which employ doctors to perform teleconsultations, have a community health center model.
- Other companies cater specifically to companies (Concilio), insurers, pharmacies (Visiocheck, Visiomed), nursing homes, etc.

The principal rival for online appointment scheduling is Doctolib.

INPS (Vision) | Software and services for doctors | UK

INPS is one of the top three publishers by number of users and the only one accredited and operating in all four UK countries. INPS's market share is estimated at roughly 11%*, compared with 56% for EMIS and 33% for TPP. Publishers Eva (formerly Microtest) and Merlock are the smallest, with market shares of less than 1% in the UK.

* According to our in-house estimates, Cegedim is one of the main publishers, with market share of around 11% in 2020.

Stacks | Software and services for doctors | Spain and Chile

Stacks' main competitors by market are:

- Primary care: Compugroup
- Hospitals: CSC, Compugroup, EKON, iSoft
- Clinics: iSoft, Informatica Medica, EKON

HDMP | Software and services for doctors | Belgium

HDMP is one of four key players, along with Corilus, Compugroup Medical, and Medispring. The constraints and complexity of the 2019-2021 eSanté plan led to market concentration and the disappearance of regional players.

Millennium | Software and services for doctors | Italy

Millennium and its subsidiaries have 55% market share and compete with: CompuGroup Medical (Profim, Phronesis, FPF, Venere, CCBasic), Koinè, Iatros, Atlas, and Perseo.

Smart Rx | Software and services for pharmacists | France

Smart Rx, Pharmagest Interactive, and Winpharma are the main players* in the French pharmacy IT market.

** By number of electronic claims submitted (source: GIE SESAM- Vitale, December 2020).*

Cegedim Rx | Software and services for pharmacists | UK

Cegedim Rx's main competitor is EMIS Health. A new market entrant, InvaTech Health, was certified in the UK in 2019 and has since garnered 99 pharmacy clients.

Cegedim Rx | Software and services for pharmacists | Romania

Among primary care physicians, Cegedim Rx is a leading provider, with an estimated market share of 23%*. Its main competition comes from a free public software (SIUI) and private suppliers such as: Syonic, Setrio, and Softeh.

Cegedim Rx is also a leader** in the market for pharmacy software, with an estimated market share of 35%. Setrio, Softeh, and HTSS (Dr. Max Group) are its main competitors.

** According to our in-house estimates, Cegedim Rx's market share is 36% in 2021.*

*** According to our in-house estimates, Cegedim Rx's market share is 25% in 2021 (23% in 2020).*

RM Ingénierie (RMI) | Software and services for allied health professionals | France

RMI's main competitors by market are:

- Physical therapists and speech therapists: Compugroup.
- Nurses: CBA and Sofia Développement.
- Midwives: Sephira.

RESIP / BCB | Medication and medical device database | France

Cegedim's BCB and rival Vidal are the main players in the French market for medication and medical device databases used by healthcare professionals, both in private practices and in public / private sector healthcare facilities.

There are two other databases, but they mainly serve hospitals and clinics: Thésorimed and Thériaque.

Cegedim SRH | Software and services for HR | France, Switzerland, Morocco, and Romania

The market for HR solutions is split between pure players offering outsourced solutions using HRIS components (e.g. talent management) and ERP software publishers offering comprehensive solutions that require partnerships to take into account local aspects.
Cegedim SRH is unique in that it offers both 360° coverage of HR functions and advanced service offerings in a BPO format.
In 2020, Cegedim SRH and ADP remained the major providers of services associated with payroll and HR management in France.

2020 highlights

Cegedim Activ | Software and services for insurance companies and mutuals | France

In 2020, Cegedim Insurance Solutions launched BEYOND by Cegedim, the first "next gen" services hub catering to the business needs of personal insurance companies and mutuals.

BEYOND by Cegedim is an open, modular, and secure solution. Its SaaS model means it can be deployed quickly, and it integrates seamlessly with Cegedim Insurance Solutions' earlier solutions, such as ACTIV'Infinite.

Activus | Software and services for insurance companies and mutuals | International

Internationally, Cegedim is following up its entry into the Australian market with a focus on the Netherlands and Canada, markets where Cegedim can replicate its services model by relying on an ecosystem of global partners.

Cegedim Logiciels Médicaux (CLM) | Software and services for doctors | France

Most French medical practices are computerized—almost 90% according to Cegedim's estimates. However, until now, IT tools were mostly used to manage patient electronic claims forms. The medical sector's 2012 national agreement, or Convention Médicale, increased the level of IT equipment in doctors' offices. The 2016 agreement promoted even greater use and—together with an incentive to modernize and computerize the practice (the "forfait structure") and a pay-for-performance program (ROSP)—encourages digitized exchanges with the national health authorities and using protocols to monitor patients with complex conditions.

This means doctors can hardly avoid managing patient records electronically (diagnoses, prescriptions, pathologies, allergies, family history, medical test results, etc.). In addition, a new requirement has been added: medical records coding, which is vital for information sharing, particularly as the use of shared medical records spreads.

The incentive doctors receive depends on the software's certification levels and usage. Several indicators determine whether the objectives are met. For example, doctors must use prescription support software (LAP) certified by the French health authorities (HAS) and an accredited drug database. The software market is therefore beginning to tighten. Indeed, Cegedim Logiciels Médicaux has seen its growth driven by these new regulations, with 80% of its sales involving data recovery from competitors' software.

Segment highlights include:

- Community health centers: strong growth in 2020 in small municipal health centers scattered around the country, particularly in medical deserts.
- Hospitals: the development of contracts with private practitioners also represents a source of new growth for software publishers that have historically focused on non-hospital practitioners.

Maiia | Teleconsultation and appointment scheduling software for healthcare professionals | France

With one town in three considered a medical desert, France faces a growing challenge when it comes to access to care: between 9% and 12% of the French population—some 6 to 8 million people—now live in a medical desert. Healthcare is evolving to deal with the scarcity of medical professionals, an aging population, and the large number of chronic conditions, and the French State is encouraging the changes.

The Covid-19 pandemic resulted in widespread use of remote consultations. In February 2020, the ratio of remote to in-person consultations was 0.1%. By March 2020, that number had jumped to 28%. It has now stabilized at around 5-10% depending upon the speciality.

INPS (Vision) | Software and services for doctors | UK

INPS operates in the UK primary care physician market in England, Scotland, Wales, and Northern Ireland. It is the only software publisher accredited in all four UK countries.

In 2017, INPS launched a major project to transform its entire Vision product suite into a family of modern, interoperable apps. The redevelopment has continued throughout 2020, with a new product strategy aimed at supplying accredited cloud-native solutions in England, Wales and Scotland.

Stacks | Software and services for doctors | Spain and Chile

In 2020, the most relevant projects Stacks was involved in were:

- Implementing new technology solutions in the Cantabria and Asturias regions, notably replacing local databases in community health centers with a centralized database that uses the latest technology.
- Record-speed roll-out of Canal Paciente in the Madrid region, which will improve asynchronous communication with patients.
- Development of a series of digital self-management services for community health center patients.

OMI360-HIS, a complete SaaS solution for hospitals, earned its first strategic client in Spain: the Virgen de la Caridad hospital.

HDMP | Software and services for doctors | Belgium

Owing to the Covid-19 pandemic, many projects were postponed until late in 2021. A review of the eSanté plan is scheduled for summer 2021.

Millennium | Software and services for doctors | Italy

Millennium continues to strengthen its presence with general practitioners via software publisher Mediatec (a 40%-owned subsidiary).

Millennium is experiencing strong growth with new doctors in certain regions.

In 2020, owing to Covid-19, additional features were added to software products, such as a code sent by text to patients so they can pick up their medication, a form for assessing and sorting Covid-19 patients, Covid-19 vaccine management, and remote consultations.

Smart Rx | Software and services for pharmacists | France

2020 was marked by the Covid-19 crisis, which required a number of operational adjustments to meet pharmacists' needs during this challenging time. Some of these included supplying masks, performing antigen tests in the pharmacy, and getting ready for the Covid-19 vaccine.

Other regulatory change were initiated or continued in 2020:

- Smart Rx, already involved in pilot projects for E-Prescription since 2018, joined a pilot project for the E-Carte Vitale (approval earned in September 2020).
- Smart Rx initiated the developments necessary to properly integrate INSI into all exchanges with the State health insurance scheme and particularly shared medical records. The application for certification will be filed in February 2021.
- Despite the public health crisis, Smart Rx continued to promote serialization for pharmacies, earning serialization certification for its Smart Rx Agile and Opus software in 2020.

Smart Rx also continued to develop and enrich certain functionalities, such as:

- A new point-of-sale module incorporating prescription fulfilment.
- A new, fully updated logistics solution that lets users easily take inventory and manage medication deliveries, and which includes new functionalities such as inventory transfers.
- A new payment terminal that includes an integrated payment solution for mobile point-of-sale devices.
- Enhanced security for pharmacy databases.

Because the PharmaNuage platform is key to Smart Rx's cloud efforts, several modules are now up and running in cloud format and were enhanced with added functionalities in 2020:

- Smart Rx 360: more powerful tools for managing pharmacy performance.
- A new patient record module that can be used to keep track of vaccinations and therapeutic compliance.
- Smart Rx 360 Groupements: a performance management tool specifically tailored to consortiums of pharmacies.

Cegedim Rx | Software and services for pharmacists | UK

Cegedim Rx has developed smart services for inventory and order management, prescription fulfillment with direct links to the NHS, and management oversight by the pharmacy's parent company.

Cegedim Rx | Software and services for pharmacists | Romania

Primary care is provided by general practitioners working in private practices, while specialty care is mainly provided in hospitals. However, there is a trend of multiple GPs and specialty practices coming together to form small clinics for outpatient care.
When the pandemic hit, Cegedim swiftly integrated its teleconsultation offering into its doctor software.

In the non-hospital pharmacy sector, consolidation continues. Owing to the Covid-19 pandemic, online sales of pharmaceutical and related products experienced robust growth. For wholesalers and pharmacy consortiums, Cegedim launched a new online ordering platform integrated with other solutions tailored to pharmaceutical distribution.

RM Ingénierie (RMI) | Software and services for allied health professionals | France

RM Ingénierie is innovating in the areas of both software and hardware. In 2020, it launched:

- Maiia Gestion, its new practice management solution. Designed with and for physical therapists, Maiia Gestion gives users a 360° view of the practice using Agenda Maiia.
- Twiin, the first miniature office computer with a dual card reader. Manufactured through a partnership with Bleu Jour, Twiin combines powerful performance and attractive design for use in private practices.

RESIP / BCB | Medication and medical device database | France

In France, the UK, and Romania, BCB is available on all healthcare professional workstations supplied by Cegedim Group. In France, BCB is also included in healthcare software published by third parties.

BCB continues to develop its list of products, now over 530,000 SKUs, making it the most comprehensive on the market.

The offering for the pharmaceutical industry continues to evolve, notably for skin care, nutrition, and animal health and accessories companies.

Cegedim SRH | Software and services for HR | France, Switzerland, Morocco, and Romania

The Teams RH payroll solution is now available in a version designed specially for the needs of certified public accountants. Teams Experts, an alternative to other tools on the market, capitalizes on the performance and reliability of the Teams RH calculation engine and the ability to manage multiple collective agreements included in the software. Cegedim SRH stands out because it offers CPAs the choice of in-house or outsourced payroll for all or part of their client portfolios using simple, powerful digital tools available to both accounting firms' employees and their clients.

2021 Outlook

Cegedim Activ | Software and services for insurance companies and mutuals | France

With an aging population and growing consumption of medical goods, the health market remains strategically important for insurance companies. Several trends are impacting their products:

- Regulations that institutionalize healthcare and ensure it is available for everyone; they erase the factors that differentiated key insurers from one another as far as health coverage is concerned,
- Growing interest in personal protection insurance, with a view to diversifying the offering,
- The need for productivity gains, which is driving digitization and automation,
- The growth and increasing complexity of digitized exchanges between companies and supplemental health insurers (AMC*),
- The gradual transition from "cure" to "care", with emphasis on prevention rather than treatment,
- Stakeholders' willingness to diversify by offering services,
- Implementation of the right to terminate insurance policies at will, which means insurance companies must monitor rights to third-party payment cover in real-time,
- The Ma santé 2022 plan, which will require supplemental health insurers to adopt a position regarding the integration of services on the mandatory health insurance scheme's portal.

Insurers are redesigning their products (targets, coverage, and management fees) and adding new services (personal care, prevention, childcare, etc.).

** AMC: Assureur Maladie Complémentaire, or supplemental health insurer*

Activus | Software and services for insurance companies and mutuals | International

EY's Global Outlook 2020* report highlights a number of key themes, including:

- Rising regulatory pressure covering financial communication, tax, money laundering, consumer protections, data confidentiality, etc. This pressure is also a result of the imminent introduction of the new IFRS 17 standard on accounting for and valuing insurance policies, which will have a big impact on insurance companies that report their financial statements using IFRS.
- The role of digitalization in customer experiences. This issue affects the entire value chain, from policy purchase to payouts and including claims.

** https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/insurance/insurance-outlook-pdfs/ey-global-insurance-outlook.pdf*

Cegedim Logiciels Médicaux (CLM) & Maiia | Software and services for healthcare professionals, telemedicine, and appointment scheduling solutions | France

The fact that doctors and paramedics are tending increasingly to work together in multidisciplinary health centers (Maisons de santé), particularly in the French provinces, is another major source of growth for Cegedim Logiciels Médicaux. Its MSP solution is proving increasingly popular with this new multi-professional working method. Building on the trend towards joint management of patient care, the communities of regional healthcare professionals (Communautes Professionnelles Territoriales de Santé, or CPTS) called for in the French government's "Ma Santé 2022" healthcare system reform will also give CLM new opportunities to market digital equipment.

Indeed, following the "Ségur de la santé" health sector agreement, which allocated funds to digital tools, Cegedim Logiciels Médicaux signed the "Engagé dans la e-santé" (committed to e-health) charter with the Agence du Numérique en Santé (the French agency for digital health). This charter provides a roadmap to digitize France's health sector. In 2021, CLM will therefore focus on developing the core digital tools required in the "Virage Numérique" (digital shift) component of the "Ma Santé 2022" reform, which include: Shared medical files (DMP), secure messaging, GP-to-hospital referral letters and feedback, Summary care records (VSM) and more.

Cegedim Logiciels Médicaux was the first software publisher to create a QR-coded electronic prescription securely transmitted from the doctor to the pharmacist as part of the French government's PEM2D e-prescription project in 2019, and is ready to roll out the solution broadly in 2021.

In software for healthcare professionals, users now need no-commitment web-based SAAS solutions. User experience is the strongest buying motivator. New generation software and solutions like Maiia Gestion will become the new market standards in the medium term.

CLM is also launching a new range of connected medical devices which input measurements directly into the patient records, including weighing machines, blood pressure monitors, glucometers and oximeters. These smart objects save time, provide higher levels of data security and leave doctors freer to focus on their patients.

INPS (Vision) | Software and services for doctors | United Kingdom

People are living longer and there is therefore a rising demand for healthcare. At the same time, doctors are merging their practices and creating "mega-practices". In addition, many retiring GPs are not being replaced. As a result, the number of medical practices decreases by about 350 a year. To solve this issue, general practitioners are working together in PCNs (Primary Care Networks) which enable them to provide wider access to health care for patients in their communities by sharing staff and funding.

The NHS's and NHS Improvement's budget will be increased by GBP 117 million, GBP 114 million and GBP 103 million respectively over the next three years (2021-2024). The aim is to meet the UK government's pledge to recruit and retain 6,000 more general practitioners.

The PCNs, which will cover about 50,000 patients each, are the cornerstones of the UK's Integrated Care Systems (ICS). There are already 29 ICS in operation and the NHS plans to cover the whole of England by April 2021. Integrated Care Partnerships (ICPs), which cover about 500,000 patients, will be midway between the ICS and PCNs in the new health care hierarchy.

In each of the countries that make up the United Kingdom, the National Health Service (NHS) manages a program of ongoing improvements with new requirements that software publishers must comply with. This stimulates innovation and fosters the shift towards an ecosystem of interconnected, interoperable software publishers, eliminating the use of paper and ultimately improving patient treatments and outcomes.

* *https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/insurance/insurance-outlook-pdfs/ey-global-insurance-outlook.pdf*

Stacks | Software and services for doctors | Spain and Chile

Trends observed in 2020 will continue in 2021.

HDMP | Software and services for doctors | Belgium

Cleverhr, the FHIR-compliant full web application, will be launched in 2021. Cleverhr will replace the HealthOne software.

Millennium| Software and services for doctors | Italy

The major trends observed in 2020 will continue in 2021.

Smart Rx | Software and services for pharmacists | France

All French pharmacies are now computerized, and the market for pharmacist software is therefore a replacement market. The growing need for efficiency in pharmacies has triggered major changes and offers attractive growth prospects.

The new challenges created by business and regulatory models like the shared medical file (Dossier Medical Partagé or DMP), the medication review, patient adherence monitoring, serialization, generic substitution goals, telemedicine, electronic drug prescriptions, new pharmacist tasks as part of the Hospital, Patients, Health, Territories Law (HPST), are just some of the reasons why IT tools will evolve in the short or medium term. Increasing competition also forces pharmacists to seek more advanced IT solutions to help them monitor and manage the business, optimize procurement, and improve point-of-sale marketing.

At the same time, the pharmacy market is organizing around networks, reinforcing the incentive to join one. This strategy creates specific new needs with higher added value.

IT solutions for pharmacists must therefore provide ever more efficient and relevant statistics, allow pharmacies to interconnect without hindering health data integrity, and offer concrete solutions for point-of-sale marketing. IT tools will evolve as a result of all these factors over the short and long term.

CegedimRx | Software and services for pharmacists | United Kingdom

The UK pharmacy market continues to experience flat rate funding with a reduction in dispensing funding from the NHS in England, balanced with additional funding to encourage pharmacies to offer a greater range of enhanced clinical services to patients. Funding reductions in the Scottish, Welsh and Northern Irish markets have had less of an impact than expected, and the markets have remained stable throughout 2020. Across the UK as a whole, approximately 308 pharmacies closed in 2020, of which 294 were in England. It is anticipated that future years will see a lower level of closures, with some consolidation as new dispensing mechanisms, such as centralized hub & spoke dispensing and direct home delivery, become more established, giving patients greater choice.

Cegedim Rx | Software and services for pharmacists and doctors | Romania

The major trends observed in 2020 will continue in 2021.

RM Ingénierie (RMI) | Software and services for allied health professionals| France

The market continues to consolidate. Sofia Développement has partnered with Topaze and Télévitale in the nurse practitioner market, while Comugroup is reinforcing its presence among allied health professionals with Aatlantide, after acquiring Epsilog last year.

The nurses software market is stable after growing for several years. This is due to the Covid-19 pandemic, which has had a severe impact on private nurses.

The number of podiatrists is stable, and they are currently equipping themselves with software (19.5% growth between March 2020 and February 2021). Midwives are continuing to move from hospitals to private practice at a steady rate. The other professions (orthoptists, physical therapists, and speech therapists) are up between 2% and 5%.

Resip / BCB | Medication Database | France

Resip has developed a new version of the BCB mobile app which will be launched at the end of the first quarter of 2021.

Cegedim SRH | Software and services for HR | France, Switzerland, Morocco and Romania

Widespread teleworking since the beginning of the health crisis has seen people adopt new ways of working, as they alternate between working remotely and in the workplace. Responding to this new trend, Cegedim SRH has launched Teams OPS, a new tool that optimizes management of remote working and onsite presence, and suggests how best to distribute employees within the workspace. Thanks to its smart planning engine, HR staff, managers, and site managers have a precise overview of who is on site and who is working from home. In this context, the tool takes resource optimization even further and helps companies cut building overheads accordingly by providing all the calculated indicators so they can plan a cost-cutting strategy.

At the same time, remote working highlighted the need to digitize some essential HR processes, like the signing of contractual documents by new hires. Digital onboarding, which was not widely used in recent years, is now a must because it simplifies administrative tasks. Employment contracts, amendments and additional documents can all be signed electronically and archived in a digital vault via a platform for exchanges between new recruits and the company.

1.2.2 | Flow

16%

Consolidated Group revenue

Flow

Key figures

In millions of euros	At Dec 31, 2020	At Dec 31, 2019	% Change	Change in € million
Revenue	79,4	80,6	-1,5%	-1,2
Recurring operating income[(1)] (REBIT)	10,4	12,3	-16,0%	-2,0
REBIT[(1)] margin	*13,0%*	*15,3%*	*-225 bps*	-
Employees	*388*	*358*	*+8,4%*	-

Products and Services

Cegedim e-business

A paperless solutions specialist since 1989, Cegedim e-business designs, develops, and markets invoice digitization, probative value storage offers, and EDI. This business unit develops and markets the following products and services: SY by Cegedim, Hospitalis, SY Pharma, Diagdirect, and Careweb.

This business started with the Edipharm system for pharmacies, wholesale distributors, and pharmaceutical companies, but quickly expanded beyond the healthcare market into all business sectors. With its SY by Cegedim offering, Cegedim e-business helps companies with their digital transformation with a collaborative solution for the digitization of business, accounting, financial, and communication data flows, for both companies and their business partners.

Since 2019, when it acquired BSV, Ximantix and NetEDI, Cegedim e-business has operated in six countries (France, Germany, the UK, Belgium, Romania, and Morocco) and can help its clients digitize processes between several countries and address their local needs. With these acquisitions, Cegedim e-business has bolstered its long-standing e-invoicing services in 64 countries.

Cetip

Cetip is the leader* in third-party payments management through its brands SP Santé and iSanté. It currently processes over 200 million third-party healthcare payer invoices for more than 22 million beneficiaries and pays out over 3.2 billion benefits per year.

** According to in-house estimates, Cetip handled more than 200 million third-party payment flows in 2020 for more than 22 million beneficiaries in France, thus maintaining its 2019 position as market leader.*

Competitive position

Cegedim e-business

Digital technology is facilitating a surge in the development of new and wider-ranging digitization products and services. As a result, competition is likely to be exacerbated by the promise of sound growth prospects in these market segments (digitization of inbound and outbound documents, secure data exchanges, storage with or without probative value). The market currently seems to prefer a multi-process approach, with one single solution that enables the digitization of all types of business processes.

Cegedim e-business' main competitors can be divided into three segments:

- In the digitization of financial and P2P processes, they are: Docapost, Baseware, Generix, Pagero, Esker, Tradeshift, Edicom and Yooz.
- In electronic signature software, they are: Docusign, Yoosign, Universign.
- In data capture and DMS, the main competitor is: Itesoft.

Cetip

In high-added-value third party and contractual payment solutions, the main competitors of Cetip's two brands (iSanté and SP santé) are Viamedis and Almerys.

2020 Highlights

Cegedim e-business

The electronic data processing market continues to expand rapidly, driven by a major shift towards outsourced invoice processing, by the growing need for rapid productivity gains, and by support from the French and European public authorities.

As of January 1, 2020, all French companies are required to use electronic invoicing for public sector contracts (decree dated June 26, 2014). Cegedim e-business contributed significantly to this historic moment by connecting many customers to the new CHORUS PRO platform.

France's 2020 budget confirmed that electronic invoicing will become mandatory in the private sector (B2B). All private sector companies subject to VAT in France, whatever their size, will have to issue invoices for the domestic market in tax-compliant electronic form. Starting January 1, 2023, all companies, whatever their size, will have to accept e-invoices, and e-invoicing will gradually be implemented throughout the entire country between January 1, 2023 and January 1, 2025. Mandatory e-invoicing is part of the government's drive to step up efforts against VAT fraud.

Global economic conditions have a direct impact on document digitization and either slow or accelerate flows and document production. Although the health crisis prompted an economic slowdown and a resulting fall in volumes, it also sparked new growth opportunities with new ways of organizing the workplace and the rise of teleworking.

In 2020, several innovations were brought to market, notably in customer enrollment portal, order flow tracking, complaints management, and reporting. In the healthcare market, in order to deal with new regulatory requirements governing the serialization of medicine packages (February 9, 2019), Hospitalis developed an innovative solution that lets healthcare entities automate the decommissioning of unique identifiers for medication between reception and dispensing.

Cetip

After rolling out Visiodroits, which allows pharmacies to verify customers' insurance coverage, in 2020 Cetip launched Visiodroits v2, which allows pharmacies to offer third-party reimbursement of medicine costs not covered by the mandatory scheme—both prescription and over-the-counter—that are covered by supplemental insurers.

In addition, the company is also starting to offer innovative data analysis services covering out-of-pocket costs, such as price verification for eye care claims. The price-checking tool helps our clients keep costs under control.

Lastly, CETIP continued to streamline third-party payments to hospitals by pursuing efforts to digitize invoices and taking part in the ROC (supplemental insurer reimbursement) pilot program with its client MNH Group, which uses Activ'Infinite and the iSanté payments network. The ROC project aims to make exchanges between hospitals and supplemental health insurers or their third-party payers more secure, automated, and digitized, and to avoid beneficiaries having to pay out-of-pocket costs at the hospital.

The health crisis caused a drop in health data flows, as the French tended to avoid using health care services during the lockdowns.

2021 Outlook	**Cegedim e-business** Once the set-back experienced in 2020 is over, the digitization market will continue to grow at a steady pace driven by the growing client needs and regulatory requirements. Competition will therefore continue to intensify, but in a more moderate fashion as the market gradually becomes more structured. The increased supply of products and services in the market will boost volume growth, but will also stoke price-based competition. (Source: Xerfi, Oct. 2020). The market is expected to grow 7% in 2021 (Source: Markess, Oct. 2020) driven by strong digitization needs in automation, trust services, end-to-end and remote processes, especially in the banking, insurance, mutual, public service, and real estate sectors. **Cetip** EY's Global Outlook 2020 report highlights a number of key themes, including the impact of digitization in the client experience—the entire value chain is affected, from policy purchase to payouts and including claims.

1.2.3 | Data & marketing

18%

Consolidated Group revenue

Data & Marketing

Key figures

In millions of euros	At Dec 31, 2020	At Dec 31, 2019	% Change	Change in € million
Revenue	87,8	85,8	+2,4%	+2,0
Recurring operating income[(1)] (REBIT)	11,4	10,7	+6,6%	+0,7
REBIT[(1)] margin	*13,0%*	*12,5%*	*+51 bp*	-
Employees	*344*	*313*	*+9,9%*	-

Products and Services

Cegedim Health Data | Healthcare data and analytics | Europe

Cegedim Health Data is the umbrella entity that manages all the "Data" activities that serve health authorities, healthcare professionals, researchers, companies, and healthcare industry partners. It provides anonymized, European, real-world, patient healthcare data with its THIN® (The Health Improvement Network) database. This database, which was started in 1994, comprises close to 60 million anonymized patient records across Europe and relies on a network of partner doctors who collect and ensure the quality of the data in compliance with current regulations.
THIN is present in France, the UK, Spain, Belgium, and Romania, and will be rolled out in Italy in 2021 and then in Germany. It is coded and structured according to a common data model, which means it is easily accessible and ready for artificial intelligence.

Cegedim Health Data also provides data analysis and decision-aiding tools as well as research services and consulting packages.

This "Data" activity operates under the Cegedim Health Data brand in the UK, Belgium, Spain, Italy, and Germany and, for historical reasons, under the GERS Data brand in France, and the Cegedim Customer Information brand in Romania.

Futuramedia | Digital displays for the health sector | France

Futuramedia has been providing DOOH (Digital Out Of Home) solutions for specialist retailers since 2004. It develops digital display solutions for both consortiums and independents in the health (pharmacies, health and wellness stores, doctors, opticians, etc.) and beauty sectors (perfume shops, hairdressers, cosmetics retailers, etc.).

Cegedim-MEDIA (C-MEDIA) | Digital displays for the health sector | France

C-Media is the leader* in communications in pharmacies and health and wellness shops, and offers brands sold in pharmacies 360° solutions to create an innovative, enhanced shopping experience.

** According to in-house estimates, C-MEDIA is the French benchmark in point-of-sale advertising in terms of the number of pharmacies covered by its display network (in 2020 and in 2019).*

MedExact | e-promotion | France

MedExact offers doctors, pharmacists, and allied health professionals equipped with Cegedim software a variety of digital marketing tools.

Competitive position	**Cegedim Health Data** Cegedim Health Data's competitors are: IQVIA in all European countries, and Real Life Data in Spain. **C-MEDIA and Futuramedia** The main competitors in digital communication solutions for the health sector are: Dynamiz Pharma, Pharmaflix, Phoenix Digital, and Capri Pharma.
2020 Highlights	**Cegedim Health Data | Healthcare data and analytics | Europe** The total pharmaceutical market ended this very unusual year with revenues up 2.1% in 2020. Growth was mostly driven by the hospital drugs segment, which increased 4.9%, whereas medications sold in pharmacies only grew by a small 0.6%. Revenue generated by the non-reimbursable drugs market slumped by 11.6%. This very sharp decrease was observed in both compulsory (-8.4%) and optional (-12.3%) prescribed drugs. The hardest hit were painkillers (-23.0%), decongestants (-20.5%), and expectorants (-31.6%), which are used to treat winter illnesses that people usually catch at the end of the year, but which were much less prevalent in 2020 as a result of Covid-19-related protective measures and mask-wearing. In 2020, the generics market increased 6.3% in revenues and 1.1% in units dispensed, as a result of the application of Article 66. The penetration rate for generic drugs increased by 2.6 points, from 80.8% in 2019 to 83.4% in 2020. Princeps, on the other hand were hard hit, registering a 22.4% slide in revenues and a 15.3% decline in units dispensed. The hospital drugs segment grew 4.9%. **Futuramedia | Digital displays for the health sector | France** In 2020, Futuramedia installed: - 10,000 indoor and outdoor digital screens in pharmacies in France (C-régie Media model and Clip Santé pharmacy model). - 100 digital merchandising devices (digital screens for endcaps) in pharmacies. **Cegedim-Media (C-Media) | Digital displays for the health sector | France** Business came to a virtual standstill in April 2020 as a result of the first lockdown. However, it continues to grow, fueled by the increase in the number of outlets equipped with digital displays, and by the partnership with selective perfume retailer Marionnaud. **MedExact | e-promotion | France** Business is driven by the digital boom and the growing number of specialty products.

2021 Outlook

Cegedim Health Data | Healthcare data and analytics | Europe

Pharmaceutical companies face an ever more restrictive and challenging environment—drug development is increasingly expensive and market access increasingly regulated and subject to uncertainties—and must therefore be able to anticipate and take fast, relevant, impactful decisions. The current surge in real-world patient data analytics using visualization and data analysis tools, and artificial intelligence, is a response to these needs and aims to give pharma companies a decisive lead in a highly-regulated market driven by patient-focused innovation.

Futuramedia and Cegedim-Media (C-Media) | Digital displays for the health sector | France

At the end of the year, Futuramedia joined forces with Cegedim Rx to roll out digital display networks in pharmacies in the UK.

Pharmacies want patients to be aware of their positioning and the brands they sell. C-Media's point-of-sale solutions therefore continue to be strategically important and are a must-have to lever brand sales.

C-Media has also launched new real-time brand performance monitoring tools.

Cetip | Outsourced management services in health insurance | France

The outsourced management services market is driven by the fact that insurance companies want to control their management costs so they can focus investments on improving products and services, xxx, and policyholder experience.

1.2.4 | BPO

10%
Consolidated Group revenue

BPO

Key figures

In millions of euros	At Dec 31, 2020	At Dec 31, 2019	% Change	Change in € million
Revenue	48,9	47,1	+3,9%	+1,9
Recurring operating income[1] (REBIT)	-0,2	-2,6	-91,7%	+2,4
REBIT[1] margin	-0,5%	-5,6%	+518 bp	
Employees	*520*	*572*	*-9,1%*	-

Products and Services

Cegedim Assurances Conseil | Health insurance innovation consultancy | France

Cegedim Assurances Conseil, which was launched in January 2020, supports insurance sector players with their innovation and transformation projects in all segments (property and casualty, savings and retirement, health and personal protection, loan protection). Its team of consultants comprises experts with concrete experience in both the insurance and consulting sectors.

Cegedim Assurance Conseil also offers specific insurance broking and management services.

Cetip | Outsourced management services in health insurance | France

Under its iGestion brand, Cetip offers outsourced management services in supplemental health and personal protection insurance to insurance companies, provident institutions, mutuals, and intermediaries.

Cegedim SRH – Outsourced payroll and HR management - France, Switzerland, Morocco and Romania

The Teams RH solution can be coupled with partial processing or full business process outsourcing (BPO) services.

2020 Highlights

Cetip | Outsourced management services in health insurance | France

In 2020, the Group improved and automated a number of processes.

2021 Outlook

Its performance in 2021 will depend on the extent to which people in France use health services.

1.2.5 | Corporate and others

Corporate and Others

1%

Consolidated Group revenue

Key figures

In millions of euros	At Dec 31, 2020	At Dec 31, 2019	% Change	Change in € million
Revenue	3,6	3,4	+6,3%	+0,2
Recurring operating income[(1)] (REBIT)	-3,6	-2,7	-32,9%	-0,9%
Employees	*783*	*536*	*+46,1%*	-

Products and Services

Our fifth division, Corporate and others, provides support for the four other divisions' operations.

Cegedim.cloud | Critical application and health data hosting | France

Cegedim has extensive experience in managed services and hosting for healthcare professionals, pharmaceutical companies, insurers, and mutuals. It is also a specialist in the management of financial flows and digitized documents. To handle these strategic and sensitive activities, the Group's teams have developed specific expertise and technical infrastructures that meet some of the highest security standards and have obtained several certifications (French Health Data Hosting, ISO 27001, ISO 20000, ISAE3402, ISO 27017, and ISO 27018). Cegedim draws on these strengths to offer a complete range of cloud hosting and management services, under the Cegedim.cloud trademark, that meet the performance, safety, and accessibility standards required to run critical applications and process sensitive data.

Cegedim Service Center | Services | Romania

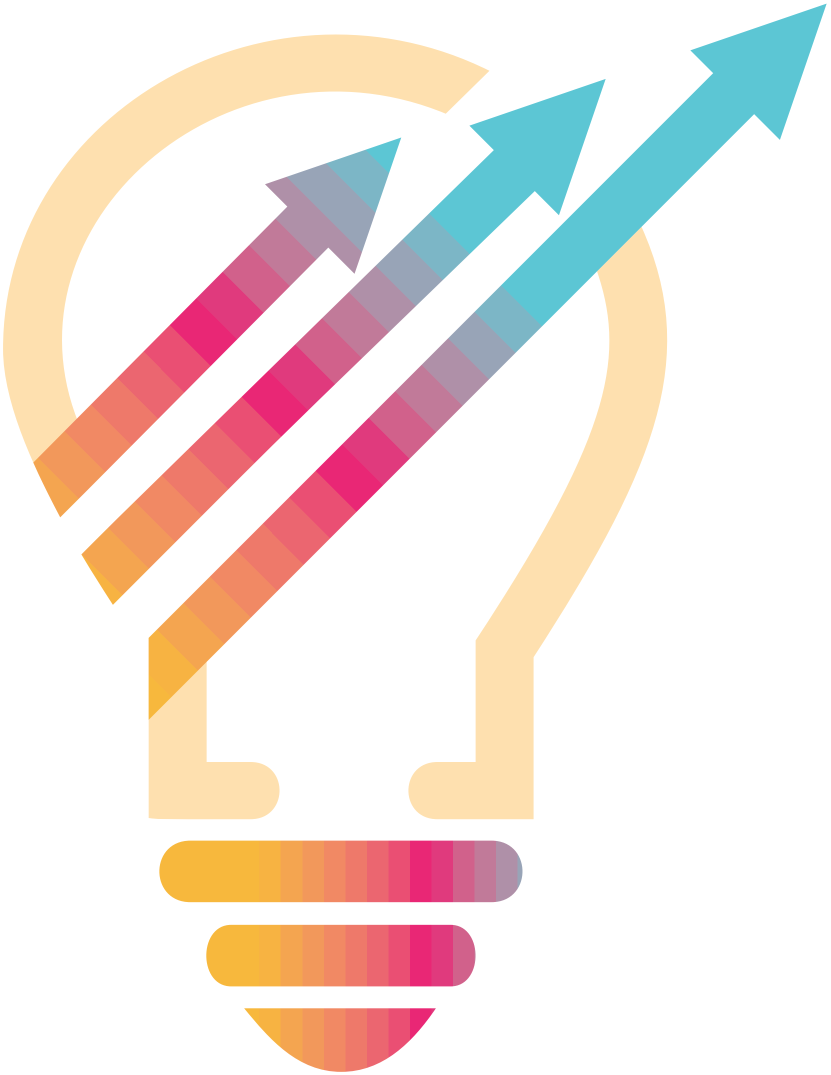
Cegedim Service Center supplements the services offered by Cegedim Group's subsidiaries with a high value-added nearshore service for BPO & customer relationship management:

- Back-office data processing,
- Payroll management and administrative tasks,
- HRIS technology consulting,
- An advice hotline,
- A technical support helpdesk.

Pharmastock | Storage and distribution of healthcare products and promotional material | France

Pharmastock is a pharmaceutical wholesaler and supplier of healthcare products (drugs, medical devices, skin care products, cosmetics, etc.).

Competitive position	**Cegedim.cloud | Critical application and health data hosting | France** Cegedim.cloud's main competitors are: - Claranet and its e-Santé™ range, - Orange Business Services and its Orange Healthcare range, - OVH and its OVH Healthcare range.
2020 Highlights	**Cegedim.cloud | Critical application and health data hosting | France** Cegedim.cloud has added outsourced backup and data recovery solutions (HDS-certified) to its range of products and services. Cegedim.cloud has developed its outsourcing business and now provides hosting and management services to several key players. - The French Solidarity and Health Ministry, National Education Ministry, Labor Ministry, and Sports Ministry have all entrusted cegedim.cloud with the hosting and management of their public-facing websites and critical applications. - Cegedim.cloud now hosts and manages the business and technical applications and related environments of the French National Cinema and Animated Image Center (CNC). - It also supplies IT infrastructure services and virtual servers to Paris La Défense, Europe's largest business district. - Kinéis, a startup that is currently placing the first French constellation of nano-satellites for the IoT in orbit, has chosen Cegedim.cloud to host the software solutions of the ground segment of its space system and manage communications with IoT platforms. - It supplies virtual servers and infrastructure operation services to the French National Assembly.
2021 Outlook	**Cegedim.cloud | Critical application and health data hosting | France** Cegedim.cloud will gradually enable companies to run their applications in active-active mode using two datacenters in the same region. The decision to offer this service was prompted by: - The critical need for high application availability: software publishers (including Cegedim Group) must be able to enjoy near continuous service availability. - The fact that there are now mature platforms like Kubernetes, MongoDB, and S3 storage that enable active-active infrastructures across several datacenters.



02

GOVERNANCE

2.1 | Cegedim's Corporate Governance

In accordance with Article L.225-37 of the French Commercial Code, as amended by Executive Order No. 2017-1162 dated July 12, 2017, this section constitutes an integral part of the Corporate Governance report reviewed by the Board of Directors at its meeting on March 18, 2021, after prior review by the Board Committees of the sections pertaining to their respective mandates, and submitted to the Statutory Auditors.

Reference corporate governance code

At its meeting of March 19, 2020, Cegedim's Board of Directors confirmed that Cegedim refers to the MiddleNext corporate governance code of September 2016 (available on MiddleNext's website[1] to draft the report provided for in Article L.225-37 of the French Commercial Code.

Within the framework of the "Apply or Explain" rule provided for in Article L.225-37-4 of the French Commercial Code and indicated in Point 3 entitled "The Premises of the MiddleNext Code", Cegedim considers that it complies with MiddleNext recommendations.

(1) https://www.middlenext.com/IMG/pdf/c1_-_cahier_10_middlenext_code_de_gouvernance_2016.pdf.

Unity of management

Le ince April 23, 2002, the Company's Board of Directors has opted for a system of governance which combines the roles of Chairman of the Board and Chief Executive Officer, with Jean-Claude Labrune serving in both positions.

The Board considers this the most suitable system of governance for Cegedim, for two reasons. On the one hand, Jean-Claude Labrune has all the skills, expertise, and other qualities needed to ably and efficiently lead the Group's management team, as witnessed by the Group's performance in recent years. And on the other hand, the Group's organization lends itself particularly well to this system of governance.

The Chairman of the Board also controls Cegedim's largest shareholder and acts in that capacity when, like any actively engaged lead shareholder, he helps define the strategic priorities that are in the Group's best interest.

One of the Group's unusual features is its particularly decentralized organization. This management approach has proven successful in businesses where decisions are best made locally. As a result, the Group has many subsidiaries (more than 60), all of which operate autonomously.

Operational and investment decisions are taken by the relevant authorized bodies in each entity, in full compliance with the Group's internal control system. This system includes arrangements to supervise and control the commitments made by these entities at different levels. Significant commitments are handled by the Group's senior management or, when required by the internal rules, by the Board itself. As well as its accounting and financial responsibilities, the Board examines and approves transactions involving strategic issues or exceeding a certain threshold. Senior management reviews these transactions before submitting them to the Board.

Consequently, Cegedim's senior management and Board of Directors play similar roles when it comes to operational and strategic management, as both are called upon to decide on the operations that the business units submit to them. Combining the roles of Chairman of the Board and Chief Executive Officer therefore makes sense. Furthermore, the Board believes that this system of governance, which has the added advantage of presenting a coherent face to third parties at the Group's highest level, is still particularly effective.

Internal Rules of the Board of Directors

At its Board meeting on March 19, 2020, Cegedim updated its bylaws. These bylaws primarily govern the Board's composition, missions, responsibilities, and operating procedures. They are available on the company's website at: *https://www.cegedim.fr/finance/gouvernement/Documents/cegedim-reglement-interieur.pdf*

Summary of MiddleNext Recommendations

R Recommendations	Compliant	Explanation
R1 Code of conduct for Board members	Yes	-
R2 Conflicts of interest	Yes	-
R3 Board composition – presence of independent directors	Yes	-
R4 Board member information	Yes	
R5 Holding of Board and committee meetings	Yes	
R6 Creation of committees	Yes	
R7 Existence of bylaws for the Board of Directors	Yes	
R8 Selection of each Director	Yes	
R9 Board members' terms of office	No	The terms of 60%, 30% and 10% of board members expire in 2022, 2025 and 2024 respectively. When they come up for renewal in 2022, the Board will submit a proposal to extend the mandates of some members for a period of two rather than six years, in order to stagger the terms of office.
R10 Remuneration of directors	Yes	-
R11 Assessment of the Board's work	Yes	-
R12 Relations with shareholders	Yes	-
R13 Definition and transparency of compensation of corporate officers	Yes	-
R14 Succession plan for corporate officers	Yes	-
R15 Concurrent holding of a corporate mandate and an employment contract	No	It should be observed that Jean-Claude Labrune, Laurent Labrune and Pierre Marucchi have employment contracts with FCB and Cegedim. Jean-Claude Labrune is Chairman of Cegedim's Board and Chief Executive Officer of Cegedim, Laurent Labrune and Pierre Marucchi are both Deputy Managing Directors of Cegedim. The combining of corporate office with employment contracts by the Chairman and Deputy Managing Directors is warranted by the fact that all three joined the Group as employees and then became corporate officers. Given their seniority in the Group, their employment contracts have been maintained. All their compensation is paid in respect of their employment contracts. Thus, any retirement benefits will be those defined by their employment contracts and not in respect of their position as corporate officers.
R16 Retirement benefits	Yes	-
R17 Supplementary retirement schemes	Yes	-
R18 Stock-options and bonus shares	Yes	-
R19 Review of watch-points	Yes	-

2.2 | Executives and supervisory bodies, statutory auditors

As of this Universal Registration Document's publication date

2.2.1 | Composition of the Board of Directors

Board of Directors	The Board of Directors is a collegial body. Members are collectively responsible for its decisions and must keep all deliberations confidential. The Board of Directors may have a maximum of 18 members. Each member serves a six-year term.
Composition of the Board of Directors	As of this Universal Registration Document's publication date, the Board of Directors has ten members, including three independent directors, i.e. 30%. The Board of Directors has four female members (40%) as of this Universal Registration Document's publication date. The description of conflicts of interest within the administrative and management bodies and the criteria for director independence are provided later in this chapter. Jean-Claude Labrune is Aude Labrune's and Laurent Labrune's father. The business address provided for the directors is the Company's registered office: c/o Cegedim, 129-137 Rue d'Aguesseau, 92100 Boulogne Billancourt, France.
Censors	Censors are appointed by the Shareholders' Meeting on the recommendation of the Board of Directors which is advised by the Nomination Committee. There may be no more than four censors and they are each appointed for a maximum of two years. Their main assignment is to attend the meetings of the Board of Directors, where necessary, and to contribute requisite information, expertise, and knowledge regarding the Group's activities. Their role is an advisory one. The current censor is Mr. Frédéric Duschesne,is member of several Boards of Directors and Boards of Experts, former Chairman and CEO of the Pharmaceutical Division of Pierre Fabre
Succession plan	The Nomination Committee regularly examines the Group's succession plan and implements or updates it with a view to: - short-term needs: unplanned absences (resignation, impediment, death); - long-term needs: planned replacements (retirement, expiry of term of office). The Nomination Committee works closely with Senior Management to ensure the overall consistency of the succession plan and monitor the situation of employees in key positions. Both the Board and the Committee take special care to ensure that this information remains confidential.
Principles relating to the Board's composition	The Board of Directors regularly examines its own composition and that of its committees to ensure they are well-balanced, particularly with regard to diversity (of gender, nationality, age, skills, professional experience, etc.). In accordance with Article L.255-37-4 of the French Commercial Code, the table on the following page illustrates the Board of Directors' diversity policy, including the criteria, targets, implementation, and results for 2020. This diversity policy is applied at Cegedim SA, and has notably resulted in a balanced representation of men and women. For example, 20% excluding executive board, of the positions of highest-responsibility (10% of all positions) are held by women.

The Board of Directors' diversity policy

Criterion	Results for 2020	Target
Genders	40% Women	Equal representation of women and men within the Board
Independence	30% Independent directors	Compliance with the MiddleNext Code for audited companies, one-third of the Board's directors are independent.
Age	58 Average age	No more than one-third of Board members are over 75 years old.
Average tenure	16 years Of service	-

Composition of the Board and its committees

Director	Independent Director	First year of appointment	Term end date	Audit Committee	Nomination Committee	Compensatio n Committee	Strategy Committee
Jean Claude Labrune	No	1969	2022	-	Chairman	-	Chairman
GERS, GIE represented by Nicolas Giraud	No	1989	2022	Member	-	-	-
GERS, GIE represented by Nicolas Giraud	No	1995	2022	-	-	-	-
Marcel Khan	Yes	2016	2022	Chairman	Member	Member	
Laurent Labrune	No	2001	2025	-	-	-	Member
Aude Labrune	No	2007	2025	Member	-	Member	-
Catherine Abiven	No	2019	2025	-	-	-	-
Sandrine Debroise	No	2016	2022	-	-	-	-
Jean Pierre Cassan	Yes	2010	2022	Member	Member	Chairman	-
Béatrice Saunier	Yes	2018	2024	-	-	-	-

Board of Directors diversity policy

Frédéric Duchesnes
Censor

Laurent Labrune
Member of the board
Member of the Strategy Committee
Deputy managing Director

FCB
Represented by **Pierre Marucchi**
Member of the board
Member of the Audit Committee
Deputy managing Director

GIE GERS
Represented by **Nicolas Giraud**
Member of the board

Jean-Pierre Cassan
Member of the board
Chairman of the Compensation Committee
Member of the Audit and Nomination Committee

Jean Claude Labrune
Chairman of the Board
Chairman of the Nomination Committee
Chairman of the Strategy Committee
Chief Executive Officer

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Marcel Kahn
Member of the board
Chairman of the Audit Committee
Member of the Compensation and Nomination Committee

Aude Labrune
Member of the board
Member of the Audit and Compensation Committee

Sandrine Debroise
Member of the board
Group Chief Financial Officer

Catherine Abiven
Member of the board
Chief Operating Officer, France, at Cegedim Insurance Solutions

Béatrice Saunier
Member of the board

2.2.2 | Offices and experience

Jean-Claude Labrune	Date of first appointment December 1, 1969 Term of office end date AGM 2022	**Offices and positions held in any company as of December 31, 2020** Offices held at French and international Cegedim subsidiaries - Chairman of the Board of Cetip since June 28, 2001. - Chairman of SASU GERS since March 30, 2010. - Manager of Cegedim Média since June 30, 2000. - Member of the Board of Cegedim since April 12, 1989. - Chairman of the Board and CEO of Cegedim since August 18, 1994. Offices held currently, other than in companies controlled by Cegedim - Chairman of the Supervisory Board of FCB since February 5, 2013. - Chairman of SAS Château de la Dauphine since November 26, 2015. Offices held in the past five years, other than in companies controlled by Cegedim - Chairman of the SASU Hospitalis unti July 3, 2018. **Experience** Jean-Claude is a graduate of École Nationale Supérieure des Arts et Métiers. During his years as a sales engineer at IBM, he mostly canvassed the pharmaceutical industry. He was a promoter of the professional discussion groups that brought together IT Directors of pharmaceutical companies, such as Cedhys. He founded Cegedim in 1969 to provide solutions to the issues raised by the profession.
Aude Labrune	Date of first appointment April 27, 2007 Term of office end date AGM 2025	**Offices and positions held in any company as of December 31, 2020** Offices held at French and international Cegedim subsidiaries - Member of the Board of Cegedim since April 27, 2007. - Member of the Board of Cetip since May 15, 2013. - Manager of Santestat.since December 24, 2012. Offices held currently, other than in companies controlled by Cegedim - Chairman of the Executive Board of FCB since February 5, 2013. - Managing Director of Château de La Dauphine since November 26, 2015, and of SCB since July 13, 2011. Offices held in the past five years, other than in companies controlled by Cegedim - None. **Experience** Aude has a master's degree in business law and a post-graduate degree in international tax law. She joined Cegedim in 1999, before heading up Rosenwald, a Cegedim subsidiary. She served as Executive General Manager in charge of legal affairs for the active holding company FCB and then as Chairman of the Executive Board of FCB. Aude also serves as Director of Communications at Cegedim..

Laurent Labrune	Date of first appointment April 18, 2001 Term of office end date AGM 2025	**Offices and positions held in any company as of December 31, 2020** Offices held at French and international Cegedim subsidiaries - Member of the Board of Cegedim since April 18, 2001. - Deputy Managing Director of Cegedim since November 26, 2015. - Chairman of SASU Cegedim SRH, Futuramedia, and Docavenue. - Member of the Boards of Cetip. - Director of Cegedim SRH (UK), Millenium (Italy), Alliadis Europe UK, THIN (Italy) and Cegedim Italia. - Managing Director Cegedim Germany and THIN (Germany).. Offices held currently, other than in companies controlled by Cegedim - Member of the Executive Board of FCB since February 5, 2013. - Managing Director at Château de La Dauphine since November 26, 2015. Offices held in the past five years, other than in companies controlled by Cegedim - Chairman of Pulse Systems Inc (USA) until August 15, 2019. - Member of the Boards of Cosytec unti July 27, 2019; - Manager of Acceuil Web until July 29, 2019. **Experience** Laurent is a graduate of École Nationale Supérieure des Arts et Métiers. In 1995 he joined Cegedim, where he notably coordinated the Group's IT development, before heading up the Cegedim SRH subsidiary and going on to become Executive Chairman of the new entity Cegedim Relationship Management. He has been Deputy Managing Director of Cegedim since November 26, 2015..
Gers Représenté par Nicolas Giraud	Date of first appointment GERS since March 6, 1995 Nicolas Giraud since April 2018 Term of office end date AGM 2022	**Offices and positions held in any company as of December 31, 2020** Offices held at French and international Cegedim subsidiaries[1] - Representative of GERS, an economic interest group (GIE), on Cegedim's Board of Directors of since April 2018. Offices held currently, other than in companies controlled by Cegedim [1] - Chairman of the Board of GERS. - Member of the Board of Directors of l'AFIPA (French Association of the Pharmaceutical Industry for a Responsible self-medication) and of LEEM (Drug Companies). Offices held in the past five years, other than in companies controlled by Cegedim [1] - Chairman of Lundbeck France (up to December 2016). - Member of the Board of Directors of Lundbeck Belgium (up to December 2016). **Experience** The GERS is an economic interest group (GIE), a consortium of pharmaceutical companies operating in France. As such, its representative, Nicolas Giraud, has a full understanding of the industry's needs. He pays especially close attention to the type and quality of services offered by Cegedim and actively makes highly knowledgeable suggestions..

(1) Offices held by Nicolas Giraud

Marcel Kahn

Date of first appointment
June 14, 2016
Term of office end date
AGM 2022

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries

- Member of the Board of Cegedim since June 14, 2016.

Offices held currently, other than in companies controlled by Cegedim

- Chairman of Financière d'Argenson SAS, of Hubb Real Estate Investment Managers SAS, and of Amarante SAS.
- Member of the Board of Advanced Credit Solutions (ACS) in Luxembourg.
- Member of the Board of Aviva France.
- Chairman of the Audit committee at Aviva France.

Offices held in the past five years, other than in companies controlled by Cegedim

- None.

Experience

Marcel is a graduate of ESSEC, a chartered accountant, and a member of the Institute of French Actuaries. He has more than 30 years' experience in finance and senior management as well as extensive knowledge of the insurance and mutual insurance provider sector.

After a career with AXA, PartnerRe and Scor, he was appointed CEO of MACSF until May 2014. He currently offers consultancy and support services to senior management.

Jean-Pierre Cassan

Date of first appointment
January 8, 2010
Term of office end date
AGM 2022

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries

- Member of the Board of Cegedim since January 8, 2010.

Offices held currently, other than in companies controlled by Cegedim

- None

Offices held in the past five years, other than in companies controlled by Cegedim

- Vice-President of Inserm-Transfert and of IFIS.
- Member of the Board of Fondation Cœur et Recherche.
- Manager of Eratos Santé since May 25, 2004.

Experience

Jean-Pierre is an Independent Director and Corresponding Member of the Société Française de Cardiologie, the Honorary Chairman of LEEM (French association of medical companies) and of FEFIS (the French federation of health industries), former Vice-Chairman of the Supervisory Board of Inserm-Transfert, and Chairman of its Strategic Committee, former Board member of Fondation Cœur à Recherche, former Chairman & CEO of Astra France, then of Astra Zeneca France, former Member of the Board of Afssaps, former Vice- President of IFIS (the Health Industries Training Institute), and an honorary member of the CPHG (College of General Hospital Lung Specialists).).

FCB Représenté par Pierre Marucchi	Date of first appointment April 12, 1989 Term of office end date AGM 2022

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries(1)

- Permanent representative of FCB on Cegedim SA's Board of Directors since April 12, 1989;
- Deputy Managing Director of Cegedim since April 23, 2002;
- Member of the Board of Cetip;
- Chairman of SASU: Cegedim Ingénierie, Incams, RM Ingénierie, Cegedim.Cloud, I-Assurances, and Cegedim Assurances Conseil;
- Managing Director of Cegedim SRH and Futuramedia
- Manager of Resip, Cegedim SRH Montargis, and Cegedim Holding Santé;
- Chairman of Croissance 2006 (Belgium), Stacks Consulting E Ingeniera de Software (Spain), Stacks Servicios Technologicos (Spain), Stacks Servicios Technologicos (Chili) and Cegedim SRH Switzerland
- Managing Director of Cegedim Belgium ;
- Member of the Board of Cegedim Service Center (Romania) ;
- Director of Millennium (Italy)), Cegedim Internal Services (Ireland), Acrossduty Ltd (UK), Pembroke Fitzwilliam Investment (Ireland), Cegedim Data Services (UK), Activus Ltd, Cegedim Holding Ireland Limited (Ireland), Cegedim Europe Holding (Ireland), Cegedim Healthcare Services (UK), and Cegedim World Internal Services (UK).
- Cegedim director representative at OEP (Belgium).

Offices held currently, other than in companies controlled by Cegedim(1)

- Chairman of MARUCCHI SAS since November 2010;
- Vice-Chairman of the Supervisory Board of FCB since February 5, 2013;
- Manager of IRIS since July 21, 1997;
- Managing Director of Château de La Dauphine since November 26, 2015.

Offices held in the past five years, other than in companies controlled by Cegedim(1)

- Chairman of SASU Chebranmic until June 12, 2015, Cegedim Software until December 31, 2018, Cegedim Assurance until July 1, 2017, Cegedim Dynamic Framework until July 1, 2017, Smart RX (former Cegedm healthcare Software) until February 2, 2017 and Laboratoire NYM until March 6, 2019.
- Member of the Board of Rue de la Paye until April 18, 2019 and Cosytec until June 30, 2020;
- Director of Cegedim Healthcare Software R&D (Ireland).

Experience

Pierre holds degrees from École Nationale Supérieure des Télécommunications (France), Stanford University (USA), and Centre d'Études Supérieures Bancaires. He is also a member of the Institute of French Actuaries. He began his career in 1977 at Crédit Lyonnais, where he held various technical and sales positions. He joined Cegedim Group's senior management team in 1984.

(1) Offices held by Pierre Marucchi

Sandrine Debroise

Date of first appointment
June 14, 2016
Term of office end date
AGM 2022

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries

- Member of the Board of Cegedim since June 14, 2016.

Offices held currently, other than in companies controlled by Cegedim

- None.

Offices held in the past five years, other than in companies controlled by Cegedim

- None.

Experience

Sandrine is a chartered accountant and has post-graduate degrees in Accounting and Finance and in Corporate Tax from the University of Paris, Dauphine. She began her career at KPMG Audit Paris and joined Cegedim in 1999 as a senior manager in the Finance department. After serving there in a variety of positions, including Group CFO since 2010, she is now CFO of FCB, the family holding company.

Béatrice Saunier

Date of first appointment
Auguste 31, 2018
Term of office end date
AGM 2024

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries

- Member of the Board of Cegedim since August 31, 2018.

Offices held currently, other than in companies controlled by Cegedim

- None

Offices held in the past five years, other than in companies controlled by Cegedim

- None

Experience

After graduating from business school, Béatrice earned a post-graduate D.E.A. degree in Foreign Affairs at the University of Paris La Sorbonne.

She began her career at M6 as a Licensed Product Manager in 1995, then served as Head of Sport and Acquisitions at Pathesport, where she was also a member of the Executive Committee. After that, she joined Canal+ as Deputy Director in Charge of Sports Rights and Acquisitions.

In 2016, she joined IMG. Today she is Director of IMG Media France, responsible for leading and growing IMG´s business development activities in IMG Media across France. She has also overseen rights sales for the IMG Sports Media portfolio, which includes programming from over 200 clients and events.

Catherine Abiven	Date of first appointment Auguste 30, 2019 Term of office end date AGM 2025

Offices and positions held in any company as of December 31, 2020

Offices held at French and international Cegedim subsidiaries

- Member of the Board of Cegedim since August 30, 2019.
- Member of the Board of CETIP since November 8, 2017.
- Deputy Managing Director of CETIP since November 2018.
- Managing Director of Cegedim Activ since January 13, 2021.

Offices held currently, other than in companies controlled by Cegedim

- None

Offices held in the past five years, other than in companies controlled by Cegedim

- None

Experience

Catherine Abiven holds advanced degrees in international business management and insurance from the University of Paris Dauphine's MBA program. She is also accredited as a company director through a program run jointly by Sciences-Po and the French Institute of Directors (IFA). She began her career at AG2R, where she served as the head of information systems before taking over responsibility for management control, internal control, audit, and accounting. After AG2R, she joined D&O in 2007 as a senior executive. When D&O merged with Mornay to form KLESIA, Ms. Abiven rose to the position of Deputy CEO starting in January 2013. She joined Cegedim Group in October 2017 as Chief Operating Officer, France, at Cegedim Insurance Solutions. In that role, she notably oversees software development, third-party payment systems, and outsourced management services for insurance companies. She became Managing Director of Cegedim Activ on January 1, 2021.

2.2.3 | Changes to the Board of Directors

Changes

During fiscal year 2020, there was no change to the Board of Directors.

2.2.4 | Independent directors

Independence criteria

To gauge directors' independence and prevent potential conflicts of interest, the Board has adopted the following criteria, as defined in the MiddleNext Governance Code.

- Criterion 1 They must not be a salaried employee or corporate officer of the Group and must not have been one within the past five years.
- Criterion 2 They must not have a significant business relationship with the Group and must not have had one within the past two years.
- Criterion 3 They must not be a reference shareholder of the Group and must not hold a significant percentage of voting rights.
- Criterion 4 They must not have a close relationship or family ties with a corporate officer or a reference shareholder.
- Criterion 5 They must not have been a statutory auditor of the Group within the past six years..

Assessing independence

Every year, the Nomination Committee assesses the independence of each board member using the criteria listed above. When determining a director's independence with respect to the direct or indirect business relationship criterion, a complementary quantitative and qualitative analysis is performed case by case to determine if any possible business relationships are material and whether or not the board member in question is, in fact, independent.

In 2020, the Board of Directors examined—as it does for the other criteria—whether any business relationships exist between Cegedim Group and the company or group to which each independent director belongs. The Board determined that, with the exception of Marcel Khan, none of the independent directors has a business relationship with Cegedim Group or its senior management.

The Board of Directors performed a quantitative and qualitative assessment of the situation of Marcel Khan, Chairman of Financière d'Argenson SAS, and the business relationship between Financière d'Argenson SAS and Cegedim Group in 2020. From both perspectives, dealings between the two companies, all businesses included worldwide, were below the materiality threshold used by the Board of Directors ¾1% for the Cegedim Group and 10% for the other party¾ Thus, the Board determined that Marcel Kahn is independent owing notably to the lack of any financial dependence.

Table of independence criteria

Administrateur	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Independent
Jean Claude Labrune					✓	
FCB represented by Pierre Marucchi					✓	
GERS, GIE represented by Nicolas Giraud	✓			✓	✓	
Marcel Khan	✓	✓	✓	✓	✓	✓
Laurent Labrune					✓	
Aude Labrune					✓	
Catherien Abiven	✓		✓	✓	✓	
Sandrine Debroise	✓		✓	✓	✓	
Jean Pierre Cassan	✓	✓	✓	✓	✓	✓
Béatrice Saunier	✓	✓	✓	✓	✓	✓

2.2.5 | Declaration on Board Members

Conflicts of interest in administrative and management bodies	The Board's bylaws state that each director must notify the Board of any actual or potential conflict of interest with Cegedim SA or any other Group company, and must refrain from voting on any matter that affects them directly or indirectly, must not participate in any discussions regarding the matter, and in extreme cases must step down. The Board of Directors evaluates each Director's situation annually to prevent conflicts of interest. The bylaws are reviewed regularly to determine if any changes are necessary to keep pace with changes in governance rules and practices. The full text of the bylaws is available on the Company's website. Cegedim has commercial relationships with two of its Directors and their respective groups. In particular, with economic interest group GIE GERS (a consortium of pharmaceutical companies) and Financière d'Argenson, whose chairman, Marcel Kahn, serves on Cegedim's Board of Directors and which supplies the Group with consulting services. GIE GERS ceased to be a shareholder in Cegedim on May 11, 2010, but still has a seat on the Board of Directors. Contracts with GIE GERS and Financière d'Argenson were entered into under normal market conditions and respectively represent revenues of less than 0.20% and 0.01% of the Company's 2020 consolidated revenue. The relationships between Cegedim and the above-mentioned entities do not therefore create any conflicts of interest. Most of the companies belonging to the Cegedim Group rent the buildings they use for their businesses. Cegedim SA rents the entire premises it occupies in Boulogne-Billancourt. Some rent is paid to companies, for example the active holding company FCB and various SCIs (Société Civile Immobilière, French non-trading property companies), whose Board members also sit on Cegedim SA's Board. If these rental contracts are not customary agreements (conventions courantes) they are listed in the Statutory Auditors' Special Report provided in Chapter 8, Section 8.2 of this Universal Registration Document. In 2020, the sums involved (rent for premises and car parks) totaled €6.7 million, excluding occupancy expenses. Rents are, and will continue to be, established according to market levels which corresponds to regulated agreements.
Statements relating to corporate governance	During the last five years and to the best of the Company's knowledge: - No member of the administrative and management bodies has been convicted of fraud; - No member of the administrative and management bodies has been associated with bankruptcy, receivership, or liquidation; - No indictments and/or official public sanctions have been handed down against these persons by the statutory or regulatory authorities, or by the designated professional bodies ; - No member of the administrative and management bodies has been prevented by a court from serving as a member of an issuer's administrative, management, or supervisory body or from participating in the management and conduct of an issuer's business dealings..

2.2.6 | Other information on board members

Corporate officers' equity interests in the Company and securities transactions by corporate officers

The statement below summarizes, to the best of the Company's knowledge, the securities transactions of corporate officers between January 1, 2020, and December 31, 2020.

	Number of shares held on 12/31/2019	Number of free shares granted during the year	Number of shares bought	Number of shares sold	**Number of shares held on 12/31/2020**
Bpifrance participations	419 915	-	-	132 694	287 221
Jean-Pierre Cassan	0	-	-	-	0
Sandrine Debroise	5 220	665			5 885
FCB	7 430 368		37 353		7 467 721
GIE GERS	0				0
Marcel Kahn					0
Aude Labrune[(1)]	1				1
Jean-Claude Labrune[(1)]	0				0
Laurent Labrune[(1)]	1 601				1 601
Pierre Marucchi[(2)]	12 778	0	556	7 694	5 640
Nicolas Giraud	0				0
Béatrice Saunier[(3)]	0				0
Catherine Abiven[(4)]	1 001	460			1 461

(1) Jean-Claude Labrune, Aude Labrune and Laurent Labrune are shareholders of FCB, which owns 53.8% of the equity of Cegedim SA.

(2) Shares held directly and indirectly via the company MARUCCHI SAS. Mr. Pierre Marucchi is also a shareholder of FCB, which owns 53.8% of the equity of Cegedim SA.

(3) Appointed August 31, 2018

(4) Appointed August 30, 2019

2.2.7 | Board of Directors operating procedures

Frequency of meetings	Article 13 of Cegedim SA's bylaws states that the Board of Directors meets as often as the Company's interests dictate. The Board of Directors met six times in 20120.
Board of Directors deliberations and decisions	In addition to the legally required deliberations and decisions on the agenda (principally the notice convening the Shareholders' Meeting and the preparation of the annual Management Report), the Board of Directors was mostly called upon to: - Review its procedures; - Approve the Group's financial statements and budget (approval of 2019 annual consolidated financial statements, 2020 interim consolidated statements, and 2020 provisional statements), and the five-year business plan. The Board was kept informed of the Group's financial position through the Audit Committee reports and the presentations given at each meeting by the Deputy Managing Director; - Award free shares; - Adopt the MiddleNext corporate governance code - Review the share buyback program; - Authorize security interests, endorsements, and guarantees; - Examined the acquisition ofa minority stake of 34% in the Clamae Group; - Prepare the annual general meeting and extraordinary general meeting of shareholders; - Approve the Audit Committee bylaws; - Approve revenue figures for the first and third quarter of 20200
Directors' attendance at Cegedim SA board meetings in 2020	See table below. Members are considered absent even if they have designated another director to act as their proxy.

Date	Rate of attendance
January 27	90%
March 19	90%
April 27	100%
September 24	90%
October 14	80%
October 28	100%

Members are considered absent even if they have designated another director to act as their proxy.

Convening of Directors	The Directors were convened by fax and e-mail in compliance with article 13 of Cegedim SA's bylaws. In accordance with article L. 225-238 of the French Commercial Code, the Statutory Auditors were summoned to the Board of Directors meetings at which the annual and interim financial statements were examined and approved.
Information provided to Directors	All the documents and information required by the Directors to perform their duties were sent to them prior to each Board meeting. The Board of Directors may perform the checks and audits it considers appropriate at any time of the year. For these purposes, each Director may request the documents needed to perform his/her duties from the Chairman of the Board of Directors
Meeting location	Meetings of the Board of Directors are held at the Company's registered office or by videoconference.
Meeting minutes	Minutes of meetings of the Board of Directors are drawn up at the end of each meeting, sent to the Directors, and approved by them at the next meeting.
Assessment of the Board of Directors' operating procedures	In accordance with its bylaws, since 2010 the Board of Directors has set an agenda item at least once a year to discuss its operating procedures. The commitment and contributions of the Directors were identified as strengths, as was the trusting relationship the Board has with senior management. When debating important decisions, the Board was able to draw on the groundwork of the Audit Committee, which met before every Board meeting. After reviewing the Board's work in 2020, the Audit Committee found that the diligence of the members and frequency with which they met fulfilled the obligations set out in the Charter that the Board of Directors had approved.
Limitations on the powers of the Chairman & CEO and the Deputy Managing Director	The Board of Directors has not imposed any limitations on the powers of Jean-Claude Labrune, Chairman & CEO, or Pierre Marucchi, Deputy Managing Director, or Laurent Labrune, Deputy Managing Director.

Provisions in the articles of incorporation and bylaws concerning administrative and management bodies	The provisions in Cegedim's bylaws concerning the members of its administrative and management bodies comply with current legislation. Articles L.225-54 and L.225-48 of the French Commercial Code require companies to set an age limit in their bylaws for the positions of CEO and Chairman of the Board of Directors , barring which they are set at age 65 by default. Cegedim's bylaws have set this age limit at 85. If the Chairman or CEO in office exceeds this age, he is deemed to have resigned from office at the end of the next meeting of the Board of Directors.

2.2.8 | Board committee operating procedures

The Board committees	The Board of Directors has four standing committees tasked with improving its functioning and facilitating its decision-making through a prior review of specific subjects in their specialized areas. These committees are: - The Audit Committee; - The Nomination Committee; - The Compensation Committee; - The Strategy Committee.
Audit Committee composition	Cegedim's Audit Committee comprises four Board members, including one independent Board member. The members of the Audit Committee are: Marcel Kahn, Chairman; Aude Labrune, Pierre Marucchi, and Jean-Pierre Cassan, the independent member. In view of their current and/or previous professional responsibilities, which are described in the Universal Registration Document, the four members of the Audit Committee possess, either individually or collectively, accounting, audit, and financial expertise, in particular about the Group's sectors of activity. Cegedim Group's Finance Director, Director of Investments, Director of Risk & Compliance, and Statutory Auditors are invited to attend each meeting of the Audit Committee.
Audit Committee procedures	The Audit Committee helps the Board of Directors ensure that the Company's individual financial statements and related information provided are accurate and reliable. It notably. - Reviewed its procedures; - Set its agenda for 2020; - Reviewed Internal Control efforts; - Examined the annual and interim financial statements; - Reviewed the five-year business plan and Cegedim SA's forecast statements; - Examined internal control efforts as they relate to the Sapin II Act and the Group risk map; - Monitored the preparation process for financial information; - Reviewed the Group's financial strategy; - Ensured the statutory auditors' compliance with independence and objectivity requirements; - Examined revenue figures for the first and third quarters; - Examined the Audit Committee bylaws project; - Reviewed the Group Governance Code project; - Reviewed the Group's acquisition projects The Audit Committee meets at least twice each year, before the approval of the Company's annual and interim financial statements. The Audit Committee met six times in the past financial year, on January 27, March 18, April 24, September 23, October 12, nad October 27, 2020. The Audit Committee has its own bylaws, which are updated regularly.

The Strategy Committee	Following the resignation of Anne- Sophie Hérelle, which was formally accepted at the March 20, 2018, Board meeting, the Strategy Committee comprises two Directors: Jean- Claude Labrune, Chairman and Laurent Labrune. The Chairman of the Board chairs the Strategy Committee. The Strategy Committee identifies potential targets and proposes areas of development for the Company to the Board. It met nine times in 2020.
The Nomination Committee	Cegedim's Nomination Committee comprises three Board members, including one independent Board member. The members of the Nomination Committee are: Chairman Jean-Claude Labrune, Marcel Kahn, and Jean-Pierre Cassan, the independent member. The main duties of the Nomination Committee are to examine and submit proposals to the Board of Directors to: - Select Board members based on the composition of and changes to the Company's shareholding structure; - Select independent Board members by carrying out its own research into potential candidates before they are approached in any way; - Design a succession plan for replacing executive officers so that proposals can be submitted to the Board of Directors in the event of an unforeseen vacancy. The Nomination Committee meets at least once a year, before the Board meeting that convenes the Annual General Meeting and approves the meeting agenda. The Nomination Committee did not met in the past financial year.
The Compensation Committee	The Compensation Committee comprises three Directors. Jean-Pierre Cassan (Independent Director and Chairman), Aude Labrune, and Marcel Kahn. The Compensation Committee makes recommendations to the Board regarding compensation of the Company's corporate officers. It reviews and submits proposals to the Board regarding compensation of the Company's Board Members, Chairman, CEO, and Deputy Managing Director. It examines free share award policies and any proposed capital increase reserved for employees. The Compensation Committee meets at least once a year, before the Board meeting that convenes the Annual General Meeting and approves the meeting agenda. In 2019, the Compensation Committee met twice, on January 27 and March 19, 2020, to approve the free share award plan and compensation for board members, the Chairman and CEO, and Deputy Managing Directors..

2.3 | Principles governing the compensation of corporate officers

Compensation policy for corporate officers

corporate officers, Jean-Claude Labrune, Laurent Labrune, and Pierre Marucchi, have employment contracts with FCB and Cegedim SA. All of their compensation is governed by those employment contracts. The compensation paid to Jean-Claude Labrune, Laurent Labrune, and Pierre Marucchi by FCB is not subject to any regulated agreements, because they are paid in respect of the employment contract and not in respect of their role as corporate officers.

Jean-Claude Labrune is Chairman of the FCB Superviaory Board, Laurent Labrune is a member of the FCB Executive Board, and Pierre Marucchi is Vice-Chairman of the FCB Supervisory Board.

Jean-Claude Labrune is Chairman and CEO of Cegedim SA. Laurent Labrune and Pierre Marucchi are Deputy Managing Directors of Cegedim SA.

The combining of corporate office with employment contracts by the Chairman and Deputy Managing Directors is warranted by the fact that all three joined the Group as employees and then became corporate officers. Given their seniority in the Group, their employment contracts have been maintained.

All their compensation is paid in respect of their employment contracts. Thus, any retirement benefits will be those defined by their employment contracts and not in respect of their position as corporate officers.

Aude Labrune and Sandrine Debroise are employed by FCB and have employment contracts with FCB. Aude Labrune is the Chairwoman of the FCB Executive Board and Director of Communications for Cegedim Group. Sandrine Debroise is CFO of FCB and Cegedim Group.

Catherine Abiven is Managing Director of Cegedim Activ and has an employment contract with Cegedim Activ.

There are management fee, agreements, a customary agreements, binding Cegedim to its holding company FCB, with which it has Board Members in common. See Chapter 8, point 8.2 “Statutory Auditors' special report on regulated agreements” section 4 “With FCB – Contract for services”. Cegedim pays quarterly installments based on the previous year's invoicing, subject to an annual correction based on actual services. In 2020, total annual retainer fees came to €1,881,671. This amount corresponds to the rebilling of salaries and consultancy fees borne by FCB and attributable to Cegedim. The consultancy fees represent less than 10% of the total. The salary portion corresponds to the pro rata rebilling of time spent by each FCB employee (Jean-Claude Labrune, Laurent Labrune, Aude Labrune, Pierre Marucchi, Sandrine Debroise, and Jan Eryk Umiastowski) working on behalf of Cegedim. The contract was initiated in 2005 for a period of one year and is automatically renewable for additional one-year periods.

The amount of the variable portion is based on the Group's earnings. The variable compensation of Pierre Marucchi and Laurent Labrune varies in proportion to fluctuations in the Group's Recurring Operating Income[1]. The Group's reorganization and business model transformation resulted in significant exceptional charges. As a result, the Recurring Operating Income[1] figure best reflects the Group's actual operating performance.

The Company has made no commitments to its corporate officers corresponding to remuneration, indemnities, or benefits due or likely to be due as a result of taking up, leaving, or changing functions or subsequent to holding them. There are no stock-option plans (subscription or purchase options) within Cegedim Group. There are no financial instruments that entitle their holders to a share of capital, nor other optional instruments of any kind, subscribed by senior managers or employees as part of issues reserved for employees.

(1) See Chapter 4 “Consolidated financial statements”, Section 4.6, Note 2 on alternative performance indicators.

Pension, retirement, and similar benefits	There are no particular supplemental retirement plans set up for specific corporate officers. All the relevant information regarding the calculation of the provision for retirement compensation is presented in the Accounting Principles and Note 18, Retirement Commitments, of the Consolidated Financial Statements in Chapter 4, Section 4.6 of this Universal Registration Document.
Cegedim SA directors' fees	A proposal will be submitted at the General Meeting to approve the total amount of Directors' fees allocated to the Board of Directors for the current financial year—the amount could be €173,000.
Stock options	There are no stock option plans at Cegedim Group either for senior managers or for any other employee category. However, the Group has set up a free share award plan. It should be noted that this plan does not concern company officers or senior management (Chairman/CEO and Deputy Managing Director).

2.3.1 | Tables required in accordance with AMF recommendations

Description

In accordance with article L.225-102-1 of the French Commercial Code, the compensation and benefits of corporate officers include remuneration received from the active holding company. The total gross compensation amounts, including benefits of any kind paid directly or indirectly to each named corporate officer, are presented in the tables below.

Table n°1 – Summary of compensation, stock options and free shares granted to each executive corporate officer

In euros	2020	2019
Jean-Claude Labrune – Chairman of the Board – Chief Executive Officer		
Compensation due for the financial year (see Table 2)	274,000	274,000
Value of options granted during the financial year (see Table 4)	-	-
Value of free shares granted during the financial year (see Table 6)	-	-
Total	**274,000**	**274,000**

In euros	2020	2019
Laurent Labrune – Deputy Managing Director		
Compensation due for the financial year (see Table 2)	403,860	377,603
Value of options granted during the financial year (see Table 4)	-	-
Value of free shares granted during the financial year (see Table 6)	-	-
Total	**403,860**	**377,603**

In euros	2020	2019
Pierre Marucchi - Deputy Managing Director		
Compensation due for the financial year (see Table 2)	423,670	726,880
Value of options granted during the financial year (see Table 4)	-	-
Value of free shares granted during the financial year (see Table 6)	-	-
Total	**423,670**	**726,880**

Table n°2 – Summary of compensation paid to each executive corporate officer

Jean Claude Labrune	Amounts for 2020		Amounts for 2019	
In euros	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Fixed compensation linked to the Cegedim SA employment contract	260,000	260,000	260,000	260,000
Variable compensation linked to the Cegedim employment contract(3)	-	-	-	-
Special payments linked to the Cegedim SA employment contract	-	-	-	-
Board member compensation(4)	14,000	14,000	14,000	14,000
Benefits in kind related to the employment contract(5)	-	-	-	-
Total	**274,000**	**274,000**	**274,000**	**274,000**

Laurent Labrune	Amounts for 2020		Amounts for 2019	
In euros	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Fixed compensation linked to the Cegedim SA employment contract	120 250	120 250	120,250	120,250
Variable compensation linked to the Cegedim employment contract(3)	249 610	223 353	223,353	201,203
Special payments linked to the Cegedim SA employment contract	20 000	20 000	20,000	20,000
Board member compensation(4)	14 000	14 000	14,000	14,000
Benefits in kind related to the employment contract(5)	-	-	-	-
Total	**403 860**	**377 603**	**377,603**	**355,453**

For Jean-Claude Labrune and Laurent Labrune, the fixed and variable compensation and the special payments are paid by Cegedim SA.

(1) The variable compensation due for a given financial year is paid the following financial year

(2) The variable compensation paid in a given financial year is the amount owed from the previous financial year.

(3) The variable compensation of Laurent Labrune varies in proportion to fluctuations in the Group's EBIT before special items (see Chapter 4, "Consolidated Financial Statements", Section 4.6, Note 2 on alternative performance indicators.

(4) Board member compensation includes board member compensation from all Cegedim Group companies. Pierre Marucchi's payment includes board member compensation from Cegedim SRH Switzerland.

(5) Company car.

Pierre Marucchi *In euros*	Amounts for 2020 Payable (1)	 Paid (2)	Amounts for 2019 Payable (1)	 Paid (2)
Fixed compensation linked to the Cegedim SA employment contract	153,801	153,801	145,127	145,127
Variable compensation linked to the Cegedim employment contract[3]	172,194	154,080	154,080	138,800
Special payments linked to the Cegedim SA employment contract	50,000	50,000	50,000	50,000
Board member compensation[4]	42,671	42,671	42,671	42,671
Benefits in kind related to the employment contract[5]	5,004	5,004	5,033	5,033
Subtotal	**423,670**	**405,556**	**396,911**	**381,631**
Upfront variable compensation payments[6]	-	-	-	144,000
Correction of variable compensation [7]	-	-	-	-,144,000
Subtotal	**423,670**	**405,556**	**396,911**	**381,631**
Retirement benefit in respect of the Cegedim employment contract[7]	-	-	329,969	329,969
Total	**423,670**	**405,556**	**396,911**	**381,631**

For Pierre Marucchi, the fixed and variable compensation and the special payments are paid by Cegedim SA.

(1) The variable compensation due for a given financial year is paid the following financial year.

(2) The variable compensation paid in a given financial year is the amount owed from the previous financial year.

(3) The variable compensation of Pierre Marucchi varies in proportion to fluctuations in the Group's EBIT before special items (see Chapter 4, "Consolidated Financial Statements", Section 4.6, Note 2 on alternative performance indicators.

(4) Board member compensation includes board member compensation from all Cegedim Group companies. Pierre Marucchi's payment includes board member compensation from Cegedim SRH Switzerland.

(5) Company car.

(6) Variable compensation payable for a given financial year is paid upfront during that year and then corrected the next financial year.

(7) As of January 1, 2019, Pierre Marucchi earned both a retirement benefit and income from his position as Deputy Managing Director of Cegedim SA. The retirement benefits he received in 2019 are solely in respect of his employment contract with Cegedim SA.

Table n°3 – Board member compensation and other compensation paid to non-executive corporate officers

Board member		Amount paid in 2019	Amount paid in 2018
Aude Labrune[(1)]	Board memeber compensation	14,000	14,000
Jean-Pierre Cassan	Board memeber compensation	18,000	18,000
Sandrine Debroise [(2)]	Board memeber compensation	14,000	14,000
Marcel Kahn	Board memeber compensation	25,000	25,000
Catherine Abiven[(3)]	Board memeber compensation	14,000	-
Béatrice Saunier	Board memeber compensation	14,000	14,000

(1) Aude Labrune is employed by FCB and paid by FCB. She is Chairwoman of the FCB Executive Board and Director of Communications at Cegedim. Part of her compensation is rebilled to Cegedim as part of the services agreement between FCB and Cegedim. For more on this point, please see Point 2.5 "Compensation policy", section "Compensation policy for corporate officers".

(2) Sandrine Debroise is employed by FCB and paid by FCB. She is the Chief Financial Officer of both FCB and Cegedim. Part of her compensation is rebilled to Cegedim as part of the services agreement between FCB and Cegedim. For more on this point, please see Point 2.5 "Compensation policy", section "Compensation policy for corporate officers".

(3) Appointed on August 30, 2019.

Table n°4 – Share subscription or purchase options granted to each executive corporate officer during the financial year

Name of the executive corporate officer	Plan number and date	Type of options	Value of options using the method applied in the consolidated financial statements	Number of options granted during the year	Strike price	Exercise period
None						

Table n°5 – Share subscription or purchase options exercised by each executive corporate officer during the financial year

Name of the executive corporate officer	Plan number and date	Number of options exercised during the year	Strike price	Year granted
None				

Table n°6 – Free shares granted to each executive corporate officer subject to performance conditions

Name of the executive corporate officer	Plan number and date	Number of options granted during the year	Value of shares using the method applied in the consolidated financial statements	Vesting date	Date of availability
None					

Table n°7 – Free shares that became available to each executive corporate officer during the financial year

Name of the executive corporate officer	Plan number and date	Number of shares that became available during the financial year	Vesting conditions	Year granted
None				

Table n°8 – History of share subscription or purchase options granted (executive corporate officers only)

	Plan number
Date of the General Meeting	**None**
Date of the Board meeting	
Total number of shares available for subscription or purchase	
Incl. number of shares that can be subscribed or purchased by	
- Start of exercise period	
- Expiry date	
- Purchase price	
- Exercise conditions	
- Total number of shares subscribed	
- Cumulative number of share subscription or purchase options canceled or expired	
- Share subscription or purchase options outstanding at year-end	

Table n°9 – Options granted to and exercised by the ten non-officer/director employees holding the most options

Options granted to and exercised by the ten non-officer/director employees holding the most options	Options granted to and exercised by the ten non-officer/director employees holding the most options	Options granted to and exercised by the ten non-officer/director employees holding the most options	Options granted to and exercised by the ten non-officer/director employees holding the most options
None			

Table n°10 – Summary of information related to employment contracts

Executive corporate officer Cegedim SA	Employment contract				Supplementary pension plan		Compensation or benefits due or likely to be due as a result of termination or change of office		Special compensation for a non-compete clause	
	FCB		Cegedim SA							
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jean Claude Labrune Chairman and CEO Start of term: 2016 End of term: 2022	✓		✓			✓		✓		✓
Pierre Marucchi Deputy Managing Director Start of term: 2016 End of term: 2022	✓		✓			✓		✓		✓
Laurent Labrune Deputy Managing Director Start of term: 2013 End of term: 2025	✓		✓			✓		✓		✓

Jean-Claude Labrune, Laurent Labrune, and Pierre Marucchi also have employment contracts with FCB. Jean-Claude Labrune is Chairman of the FCB Supervisory Board, Laurent Labrune is a Member of the FCB Executive Board, and Pierre Marucchi is Vice-Chairman of the FCB Supervisory Board.

The combining of corporate office with employment contracts by the Chairman and Deputy Managing Directors is warranted by the fact that all three joined the Group as employees and then became corporate officers. Given their seniority in the Group, their employment contracts have been maintained.

All their compensation is paid in respect of their employment contracts. Thus, any retirement benefits will be those defined by their employment contracts and not in respect of their position as corporate officers.

2.4 Policy toward employees

Group employees are Cegedim's most valuable asset and main resource

Payroll costs represent one of the Group's most significant expenses. Group employees are Cegedim's most valuable asset and main resource. Cegedim therefore adapts its compensation policy appropriately in order to motivate talent and ensure training and recruitment, while maintaining the increase in salary costs at a reasonable level. For 2021, salary decisions will be made individually for each employee..

Cegedim employee profit-sharing agreement

Cegedim employee profit-sharing agreement.

Employees can decide whether their share of profits is paid into a mutual fund or deposited in a frozen current account in the corporate accounts.

At December 31, 2020, the Corporate Mutual Fund consisted of 86,931 Cegedim shares, representing 0.62% of the capital.

Award of free shares

When performance conditions are met, free shares are awarded to non-executive senior managers of the Group and Cegedim Group employees. The main characteristics of the plans are as follows:

- The free shares awarded confer the right to dividends voted on or after the award date.
- The award of shares to their beneficiaries will become final after a two-year vesting period for beneficiaries whose residence for tax purposes is in France and after a three-year period for beneficiaries whose residence for tax purposes is not in France as of the award date.
- The shares will be fully allotted to the beneficiaries on one condition: no resignation, dismissal or termination.
- Starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep shares for a term of one year starting from the final award date.

The main characteristics of the plans are as follows:

Plan of	06/28/2018	01/21/2019	01/27/2020
Date of the General Meeting	06/19/2018	06/19/2018	06/19/2018
Date of the Board meeting	06/28/2018	01/29/2019	01/27/2020
Date of Date of plan opening	06/28/2018	01/29/2019	01/27/2020
Total number of shares that can be awarded	21,790	22,190	37,308
Initial subscription price	€34.20	€23.5€	€31.40
Vesting date France	06/28/2020	01/29/2021	01/27/2022
Vesting date Foreign	06/28/2021	01/29/2022	01/27/2023

Award of free shares

Position of plan as at December 31, 2019

Plan of	06/28/2018	01/21/2019	01/27/2020
Total number of shares awarded	2,95	21,143	31,090
Total number of shares left to be acquired	0	0	
Adjusted acquisition price of free share award for France	€33.20	€22.81	€30.48
Adjusted acquisition price of free share award for Foreign	€29.07	€19.98	€26.69

For more information, see Note 8.2 "Treasury shares" in the notes to the consolidated financial statement in Chapter 4 of this Universal Registration Document.

CEO pay ratio

Corporate officers are compensated solely for their role as directors. For the three executive corporate officers, the total compensation amounts to €71 million. As a result, the Group is not obligated to report pay ratios or pay ratio trends.

2.5 Factors that could affect a public tender offer

In the event of a public offering	There are no specific provisions likely to have an impact on: - The structure of the Company's capital; - Restrictions in the Company bylaws on exercising voting rights and transferring shares; - Direct or indirect stakes in the Company's capital, of which it is aware, pursuant to articles L. 233-7 and L. 233-12 of the French Commercial Code; - The rules governing the appointing and replacing of members of the Board of Directors and the amending of the Company's bylaws; - The powers of the Board of Directors, particularly with respect to issuing or buying back shares. Furthermore, - The Company has no knowledge of any agreements pursuant to article L. 233-11 of the French Commercial Code; - There are no holders of shares with special control rights (except for the double voting rights, the allotment of which is completely independent of the occurrence of a public offering); - The employee shareholding plan makes no specific provisions for the exercise of rights not exercised by said employees; - The Company has no knowledge of agreements between shareholders that might result in restrictions on transferring shares and exercising voting rights; - The Company has signed relatively few agreements that would be amended or terminated in the event of a change of control of the Company, and they are confidential; there are no systematic arrangements to amend or terminate agreements, and, if such a thing were to occur, it would have a relatively immaterial impact on the Company; There are no agreements to compensate the members of the Board of Directors or employees if they resign, are dismissed without real and serious cause, or if their employment ends due to a public offering.
Agreements and change of control	**Concerning agreements that could be amended or terminated in the event of a change in control of the Company** Cegedim has no policy of engaging in agreements that could be amended or terminated in the event of a change in control of the Company. However, there are clauses protecting the Group's intellectual property.
Actions required to modify shareholder's rights	There are no stricter conditions than those set forth by law for modifying shareholders' rights.

Rights, privileges and restrictions attached to each class of existing shares	All the shares making up the Company's capital are of the same class. The Extraordinary Shareholders' Meeting held on February 8, 1995, decided that in consideration of the portion of the capital they represent, a double voting right would be allotted to all fully paid shares as long as proof of registration for at least four years in the name of the same shareholder was provided. This double voting right is reserved for shareholders who are French nationals or nationals of a Member State of the European Union. Furthermore, in the event of a capital increase through incorporation of reserves, profit, or issue premium, the double voting right is attached, as of their issuance, to the registered shares allocated free of charge to a shareholder on the basis of the amount of shares already held that entitle him/her to this right. The double voting right ceases for any share that has been converted into a bearer share or transferred, save in the case of a transfer of registered shares due to inheritance or family gift. In accordance with the law, all dividends that have not been collected within five years of their payment date revert to the French State. Treasury shares are not entitled to dividends: the related amount is recognized in "retained earnings".
Provisions of the articles of incorporation and bylaws that could delay, defer, or hinder a change of control in the Company	None

Threshold above which shareholder ownership must be disclosed	**Provisions of the articles of incorporation and bylaws governing the threshold above which shareholder ownership must be disclosed:** The bylaws contain no special provision for declaring ownership threshold crossings. Only the legal provisions are applicable.
Conditions governing changes in the capital	**Conditions imposed by the articles of incorporation and bylaws governing changes in the capital, where these conditions are stricter than the law:** None.

2.6 General Meetings and procedures for shareholder participation

Conditions under which Annual General Meetings and Extraordinary Shareholder's Meetings are called	General Meetings are convened and transact business under the conditions set forth by law. They are held at the registered office or at any other location indicated in the notice of Meeting. All shareholders may attend shareholders' meetings and take part in the deliberations, in person or through a proxy, regardless of the number of shares they own, as long as they provide proof of their status as shareholders at least five days prior to the meeting. However, the Board of Directors may reduce this time frame. All shareholders may vote by post.

03

OVERVIEW OF THE FINANCIAL YEAR

Preamble | Change in the financial communicartoin

Comments

Always looking for ways to improve its financial communication, the Group will now be reporting its results by business activity (divisions: Software & Services, Flow, Data & Marketing, and BPO) rather than by client segment (sectors: Health insurance, HR and e-services, and Healthcare professionals). To help you analyze these revenue figures, we have provided below a table comparing the sector and division figures. The reconciliation of EBIDTA and Recurring operating income[1] between sector and division is shown below.

To find the composition of the divisions, the reader is invited to refer to Chapter 1 point 1.2 "The activities of the Group".

Sector / division revenue comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	*Total*
Software & Services	125.7	151.5	277.2
Flow	79.4	0.0	79.4
Data & Marketing	87.8	0.0	87.8
BPO	48.9	0.0	48.9
Corporate and others	0.0	0.0	3.6
Cegedim	**341.8**	**151.5**	**496.9**

Sector / division EBITDA[1] comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	*Total*
Software & Services	29.5	29.0	58.5
Flow	17.6	0.0	17.6
Data & Marketing	17.3	0.0	17.3
BPO	3.1	0.0	3.1
Corporate and others	0.0	0.0	7.5
Cegedim	**67.5**	**29.0**	**103.9**

Sector / division Recurring oerpating income[1] comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	*Total*
Software & Services	10.9	12.6	23.5
Flow	10.4	0.0	10.4
Data & Marketing	11.4	0.0	11.4
BPO	(0.2)	0.0	(0.2)
Corporate and others	0.0	0.0	(3.6)
Cegedim	**32.5**	**12.6**	**41.5**

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

3.1 Financial year highlights

Apart from events related to the Covid-19 pandemic and those cited above, to the best of the company's knowledge, there were no post-closing events or changes that would materially alter the Group's financial situation.

Tax	On February 21. 2018. Cegedim SA received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1. 2015. to December 31. 2016. After consultation with its lawyers and based on ample precedent. the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision. The maximum tax liability Cegedim faces as a result of the current audit is €13.7 million at December 31. 2020. Cegedim still believes that there is not enough risk with respect to this amount or to tax loss carryforwards recorded on its consolidated balance sheet (corresponding to €20 million) to jeopardize their valuation.
Acquisition of a minority stake in Clamae	Cegedim has acquired a minority stake of 34% in the Clamae Group via a €6 million reserved capital increase. Clamae has a subsidiary that specializes in innovative payment systems made possible under the EU's PSD2 framework. The technologies Clamae has developed will be put to good use in nearly all of Cegedim Group's products and services (health insurance products. data management and digitization. and apps for healthcare professionals).
The Euris lawsuit	Cegedim, jointly with IQVIA (formerly IMS Health), is being sued by Euris for unfair competition. Cegedim asked the court to dismiss the case against the Group. On December 17, 2018, the Paris Commercial Court granted Cegedim's request. IQVIA has appealed the decision. The cross-appeal was ruled to be admissible in a decision issued September 9, 2020. As a result, Cegedim will be obliged to relitigate the fundamental argument that won the lower court case. Euris is asking for €150 million in damages. After consulting with its external legal counsel, the Group has decided not to set any provisions aside to cover the risk.

3.2 FY 2020 business review

Operational performance

€496.9 m
Revenue
2019: €503.7 m
2018: €467.7 m

(1.4) %
Growth rate[2] reported
(0.2) %
Growth rate [2] LFL[1]

€41.5m
Recurring opertaing incomet (REBIT)[1]
2019: €37.1 m€
2018: €33.1 m€

11.8 %
Growth rate[1]

8.3 %
REBIT[1] margin
REBIT[1] on Group conslidated revenus
2019: 7.4 %
2018: 7.1 %

98 bps
Growth rate[2]

0.8 €
EPS
2019: 0.2€
2018: 0.4€

+198.8 %
Growth rate[2]

Consolidated P&L

In € million	12/31/2020	12/31/2019	Variation %	Variation m€
Revenue	**496.9**	**503.7**	**(1.4) %**	**(6.8)**
Purchase used	(25.5)	(28.4)	(10.3)%	(2.9)
External expenses	(100.5)	*(115.3)*	(12.9)%	(14.9)
Payroll costs	(256.2)	(249.7)	+2.6%	+6.5
Others operating income and expenses	(10.8)	(9.0)	+20.1%	
EBITDA[1]	**103.9**	**101.2**	**+2.6%**	**+2.7**
EBITDA margin[1]	*20.9 %*	*20.1 %*	*+81 bps*	(
Amortization and depreciation	62.5	(64.2)	(2.6) %	+1.7
Recurring operating income[1]	**41.5**	**37.1**	**+11.8 %**	**+4.4**
Recurring operating margin[1]	*8.3 %*	*7.4 %*	+98 bps	(
Other non-recurring operating income and expenses[1]	(19.9)	*(21.0)*		(1.7)
Operating income	**21.5**	*16.1*		**+5.5**
Operating margin	*4.3 %*	3.2 %	+114 bps	-
Cost of net financial debt	(8.6)	*(8.6)*	+0.8 %	(0.1)
Total taxes	(2.0)	*(4.8)*	(59.2) %	(5.2) %
Profit (loss)	**10.8**	**2.7**	**+301.8 %**	**+33.9 %**
Net profit attributable to owners of the parent	**10.8**	**2.7**	**+301.7%**	**+8.1**

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".
(2) Compared with the same period a year ago.

3.2.1 | Comments on the consolidated P&L

Revenue
€496.9m

(1.4) %
Reported
(0.2)%
LFL[(1)]
Growth rate

In € million	
Consolidated Group revenue at 12/31/2019	**503.7**
Impact of acquisitions and disposals	(5.2)
Currency impacts	(0.8)
Revenue excl. impacts at 31/12/2019	**497.7**
Software & Services contribution	(2.1)
Flow contribution	(2.9)
Data & Marketing contribution	+2.1
BPO contribution	+1.9
Corporate and others contribution	+0.2
Consolidated Group revenue at 12/31/2020	**496.9**

Revenue decreased by €6.8 million or 1.4%, to €496.6 million in 2020 compared to €503.7 million in 2019.

In 2020 the €5.2 million hit from scope effects, or 1.0pp, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in the US in August 2019, which was partly offset by the acquisitions of *Cosytec* in France in July 2019 and *NetEDI* in the UK in August 2019. Excluding an unfavorable currency translation impact of 0.2pp and an unfavorable scope effect of 1.0pp, revenues fell 0.2%.

Revenue growth rate by division

In € million	2020	*2019*	Change LFL	*Change reported*
Software & Services	277.2	286.9	(0.7)%	(3.4)%
Flow	79.4	80.6	(3.6)%	(1.5)%
Data & Marketing	87.8	85.8	+2.4 %	+2.4 %
BPO	48.9	47.1	+3.9 %	+3.9 %
Corporate and others	3.6	3.4	+6.3 %	+6.3 %
Cegedim	**496.9**	**503.7**	**(0.2)%**	**(1.4)%**

The *Data & Marketing, BPO and Corporate and others , division* positively contributed to the like-for like growth by growing respectively by 2.4%, 3.9% and 6.3% in 2020.

The *Software & Services* and *Flow* division contributed negatively to the Like-for-like growth by growing respectively by 0.7% and 3.6%.

(1) *See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".*

#03 OVERVIEW OF THE FINANCIAL YEAR

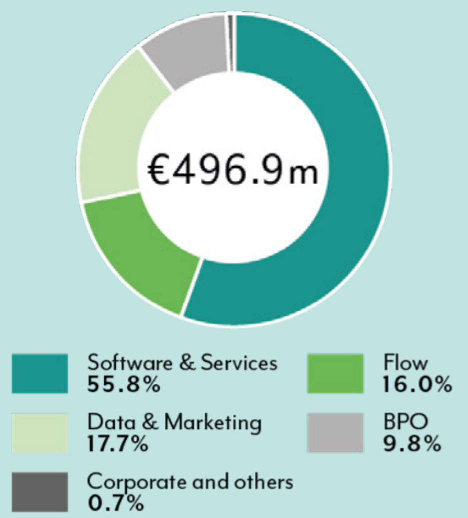
FY 2020

Revenue breakdown

Breakdown by division

Changes in the contributions were as follows:

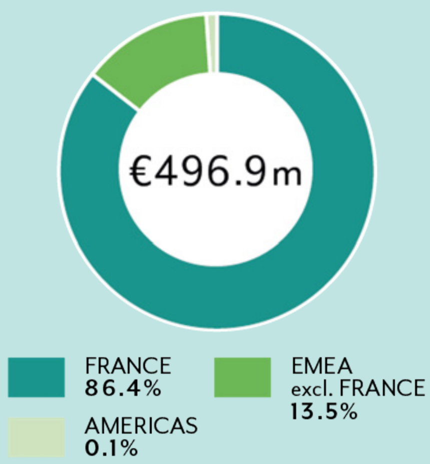
- The *Software & Services* division decreased by 1.2 point to 55.8%[1].
- The Flow division remained stable at 16.0%.
- The *Data & marketing* increased by 0.5 point to 9.8%.
- The *BPO* division remained relatively stable at 9.8%.
- The *Corporate and others* division remained relatively stable t at 0.7%.



Breakdown by geographic region

The relative contribution of:

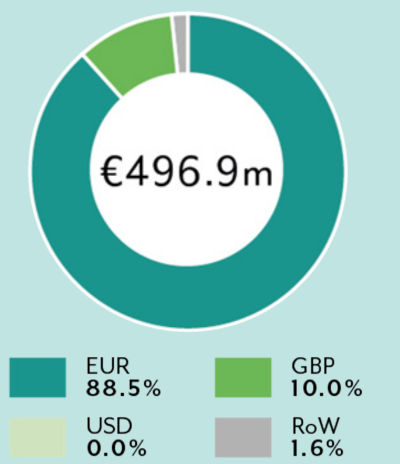
- France climbed by 1.23 point to 86.4%.
- EMEA excluding France climbed by 0.3 point to 13.5%.
- The Americas fell by 1.5 point to 0.1%[2].



Breakdown by currency

The breakdown of revenue changed only marginally compared with the previous year:

- The Euro climbed by 1.3 point to 88.5%.
- The British pound remained relatively stable at0.0%.
- The US dollar fell by 1.5 point to 0.0%[2].
- The other currencies remained relatively stale at 1.6%.



(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".
(2) The breakdown of revenue changed only marginally compared with the previous year.

Purchases used **€25.5m**	As % of revenues **5.1%** in 2020 **5.6 %** in 2019

Purschases used decreased by €2.9 million, or 12.9 %, to €25.5 million in 2020 compared to €28.4 million in 2019. Purchases used represented 5.1% of revenue in 2020, compared with 5.6% in 2019. This decrease resulted from a drop in business caused by the lockdown in Europe due to the Covid-19.

External expenses **€100.5m**	As % of revenues **20.2%** in 2020 **22.9 %** in 2019

External expenses decreased by €14.9 million, or 12.9%, to €100.5 million in 2020, compared with €115.3 million in 2019. External expenses represented 20.2% of revenue in 2019, compared with 22.97% in 2019. This decrease resulted chiefly from a drop of €7.4 million in the cost of travel, mission, marketing qnd office reception, and outsourcing owing to the Covid-19 pandemic for €5.0 million and the lockdown in Europe. Lastly, we focused specifically on nonessential overhead costs.

Payroll costsl **€256.2m**	As % of revenues **51.6%** in 2020 **49.6 %** in 2019

Payroll costs increased by €6.5 million, or 2.6%, to €256.2 million in 2020, compared to €249.7 million in 2019. Payroll costs represented 51.6% of revenue in 2020, compared to 49.6% in 2019. This increase is chiefly the result of the full-year impact of hires made in 2019. We managed to contain the impact by postponing most of the hires planned for 2020 and adopting short-time working arrangements, which brought some government assistance. Most hires were linked to the development of *Maiia* (formerly *Docavenue*), offshore R&D centers, and BPO offerings.

Depreciation and amortization expenses
€62.5m

Depreciation and amortization expenses decreased by €1.7 million, or 2.6 %, to €62.5 million in 2020, compared to €64.2 million in 2019. The amortization of related to lease contracts (IFRS 16) was virtually stable, with €15.9 million in 2020 compared to €15.8 million in 2019. The amortization of capitalized R&D expenses over the period decreased by 1.9 million, or 5.9% to €30.6 million in 2020 compared to €32.5 million in 2019. The main reason for the decline was the decrease in R&D amortization over the period owing to earlier impairments taken on certain software. Other depreciation was virtually stable with €15.9 million. to €8.8 million in H1 2020 compared to 9.5 million in H1 2019.

Operating income
€21.5m

As % of revenues
4.3% in 2020
3.2 % in 2019

Operating income increased by €5.5 million or 33.9% to €21.65 million in 2020, compared with €16.1 million in 2019. The December 2020 figure represented 4.3% of revenue, compared with 3.2% at December 31, 2019. The increase reflected trends in revenue, purchases used, external expenses, payroll costs, and depreciation and amortization expenses (for more details, see above).

Other non-recurring operating income and expenses [(1)]
€19.9m

Breakdown by type

In € million	12/31/2020	12/31/2019
Provisions et dépréciiations	(16.0)	(0.3)
Restructuring costs	(3.6)	(4.1)
Sale of activity	-	(16.0)
Other non-recurring income and expenses	(0.4)	(0.6)
Other non-recurring operating income and expenses [(1)]	**(19.9)**	**(21.0)**

Breakdown by division

In € million	12/31/2020	12/31/2019
Software & Services	(17.1)	(20.6)
Flow	(0.5)	(0.5)
Data & Marketing	(0.1)	(0.5)
BPO	0.0	(0.1)
Corporate and others	(2.2)	+0.6
Other non-recurring operating income and expenses [(1)]	**(19.9)**	**(21.0)**

Other non-recurring operating income and expenses[(1)] amounted to a charge of €19.9 million in 2020 compared with a charge of €21.0 million in 2019. Thes level in 2020 resulats mainly from the € 15.0 million impairments of intangible assets related to certain software business, notably on products for doctors in the UK and Belgium and much of the 2019 figure is attributable to the sale of nearly all of the business activities of Pulse Systems Inc, which resulted in a €14.9 million charge

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Recurring operating income [1]

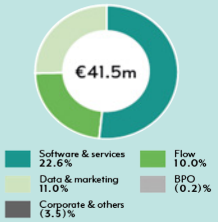
€41.5m

As % of revenues

8.3 % in 2020

7.4 % in 2019

Breakdown by division



The *Software & Services, Flow*, and *Data & Marketing division* generated respectively 56.7%, 25.0% and 27.5% of recurring operating income [1] in 2020. The *BPO* and *Corporate and Others* division contributed respectively an operating loss equivalent to 0.5% and 8.7%.

(See Financial comments per division).

Recurring operating income[1] increased by €4.4 million, or 11.8% to €41.5 million in 2020, compared to €37.1 million in 2019. The December 2020 figure represented 8.3% of revenue, compared with 7.4% in December 2019. This performance is driven by the improved performance of the *Software & Services* and *BPO* divisions.

EBITDA[1]

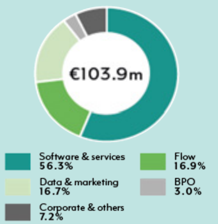
€103.9m

As % of revenues[1]

20.9 % in 2020

20.1 % in 2019

Breakdown by division



The *Softwares & Services, Flow, Data & Marketing, BPO* and *Corporate and Others* division contributed respectively 56,3%, 16,9%, 16,7%, 3,0% et 7,2% of consolidated EBITDA[1] in 2020.

(See Financial comments per divisio).

EBITDA[1] increased by €2.7 million, or 2.6%, to €103.9 million in 2020, compared with €101.2 million in 2019. EBITDA represented 20.9% of consolidated revenue in 2020, compared with 20.1% in 2019. This increase in EBITDA[1] was due to the €4.4 million increase in recurring operating income[1], and to €1.7 million in amortization and depreciation expenses

Cost of net financial debt

€8.6m

Cost of net financial debt remained relatively stable at €8.6 million in 2020. This stability reflects the fact that the debt drawn was almost entirely at a fixed rate (RCF)

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Tax expenses **€2.0m**	**Tax expenses** came to a charge of €2.0 million in 2020 compared with a charge of €4.8 million in 2019, down €2.9 million or 59.2%. This change was principally the result of a decrease in taxes at the Group level and from a positive adjustment in deferred tax assets
Consolidated net profit **€10.9m**	**Consolidated net profit** came to €10.9 million in 2020 compared with €2.7 million in 2019. This €5.68.2 million increase in consolidated net profit reflected trends in revenue, operating income, other non-recurring operating income and expenses9), cost of net financial debt, and tax expense (for more details, see above
Consolidated net profit attributable to the Group **€10.8m**	After taking into account minority interests, the **consolidated net profit attributable to the Group** amounted to €10.8 million in 2020, compared with €2.7 million in 2019. **Earnings per share** came to €0.8 in 2020 compared with €0.2 a year earlier. The **recurring earnings per share** came to €1.2 in 2020 compared t€ 0.4 a year earlier.

3.2.1.1 | Software & Services division

Software & Services

€277.2 m
Revenue
2019: €286.9 m

(3.4) %
reported[2]
(0.7)%
Like-for like[1]
Growth rate

€23.5 m
Recurring operating income (REBIT)[1]
2019: €19.4m

21.1%
Growth rate[2]

8.5%
REBIT[1] margin
2019: 6.8%

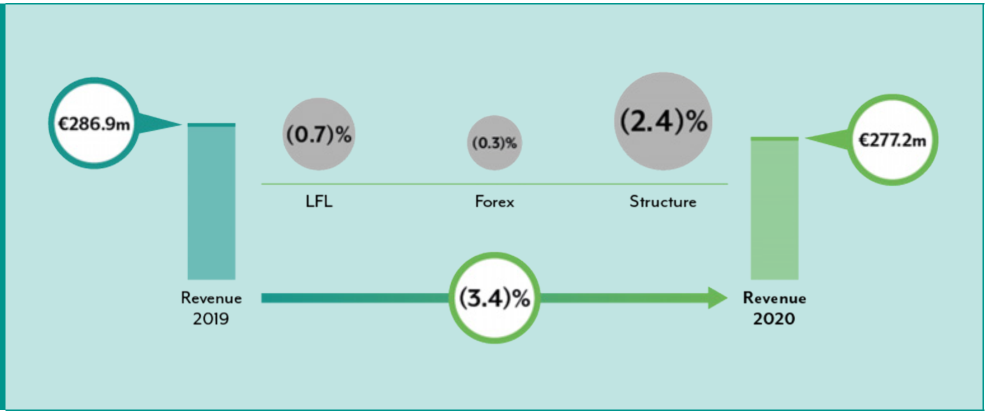
+171 bps
Change[2]

55.8 %
% of Group consolidated revenue

3,276
Workforce

In € million	12/31/2020	12/31/2019	Change %	Change €m
Revenue	**277,2**	**286.9**	**(3.4)%**	**(9.7)**
EBITDA[1]	58,5	58.2	+0.5%	+0.3
EBITDA margin[1]	21.1%	20.3%	+82 bps	
Depreciation	(35.0)	(38.8)	(9.8)%	(3.8)
Recurring operating income[1]	**23.5**	**19.4**	**+21.1%**	**+4.1**
Recurring operating margin[1]	*8.5%*	6.8%	+171 bps	-
Other non-recurring operating income and expenses[1]	(17.1)	(20.6)	(17.0)%	(3.5)
Operating income	**6.4**	**(1.2)**	**n.s.**	**+7.6**
Operating margin	+2.3%	*(0.4)%*	+272 bps	-

Revenue change



(1) *See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".*
(2) *Compared with the same period a year ago.*

Revenue

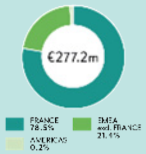
€277.2 m

Growth rate

(3.4)% reported

(0.7)% Like-for-like[1]

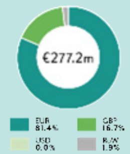
Breakdown by geographic region



By geographic region, the contribution of

- France climbed by 2.5 point to 78.5 % ;
- EMEA (excluding France) was stable at 21.4 %
- The Americas fell by 2.6 point to 0.2 %[2].

Breakdown by currency



By currency, the breakdown has changed only marginally since the previous year:

- The euro's contribution climbed by 2.5 point to 81.4 % ;
- Teh British ppound's was stable at 16.7 % ;
- The US dollar fell by 2.6 point to 0.0 % ;
- Other currencies were stable at 1.9 %.

Revenue decreased by €9.7 million, or 3.4%, to €277.2 million in 2020, compared with €286.9 million in 2019. It represented 2.6% of consolidated revenue at June 2020, compared with 6.6% at June 2019.

The 2.4pp hit from scope effects 6.86 million, and the 6.8pp hit in the first half, or €5.6 million, as chiefly due to the sale of nearly all of the business activities of Pulse Systems Inc. in August 2019 which was partly offset by the acquisitions of Cosytec in France in July 2019.

The unfavorable currency translation impact of €0.8 million, or 0.3pp was mainly attributable to appreciation of the pound sterling, which represents 10.0% of Group revenues, against the euro.

Like-for-like[1] revenues fell 0.7%.

Recurring operating incoment[1]

€23.5 m

margin[1]

8.5% in 2020

6.8 % in 2019

Recurring operating income[1] increased by €4.1 million, or 21.1%, to €23.5 million in 2020, compared with €19.4 million in 2019. It represented 8.5% of consolidated revenue at December 2020, compared with 6.86% at December 2019. This increase reflect the highly recurring business and the sale of *Pulse Systems Inc.*

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

(2) In August 2019, Cegedim announced that it had sold nearly all of the business activities of Pulse Systems Inc.

Depreciation and amortization **€35.0 m**	Growth (9.8) %	**Depreciation and amortization expenses** decreased by €3.83 million, or 9.8% to €35.0 million in 2020, compared with €38.8 million in 2019. The decrease was mainly attributable to: - the €1.51 million decrease in amortization excluding capitalized R&D expenses and IFRS 16 over the period, which amounted to €4.7 million in 2020 compared with €6.2 million in 2019 - the €1.6 million decrease in the amortization of capitalized R&D expenses over the period, which amounted to €23.1 million in 2020 compared with €24.7 million in 2019. The main reason for the decline was the earlier impairments taken on certain software notably on products for doctors in the UK and Belgium.
Other recurring operating income and expenses [1] **€17.1m**	Growth (17.0) %	**Other non-recurring operating income and expenses**[1] decreased by €3.5 million to €17.1 million in 2020 compared with €20.6 million in 2019. The 2020 figure is largely attributable to a €15.0million impairments taken on certain software notably on products for doctors in the UK and Belgium, and much of the 2019 figure is attributable to the sale of nearly all of the business activities of Pulse Systems Inc., which resulted in a €14.9 million charge.

3.2.1.2 | Flow division

€79.4m
Revenue
2019: €80.6m

(1.5) %
Reported
(3.6) %
like-for-like[2]
Growth rate[1]

€10.4 m
Recurring operating income (REBIT)[1]
2019: €12.3 m

(16.0)%
Growth rate[2]

13.0%
REBIT[1] margin
2019: 15.3%

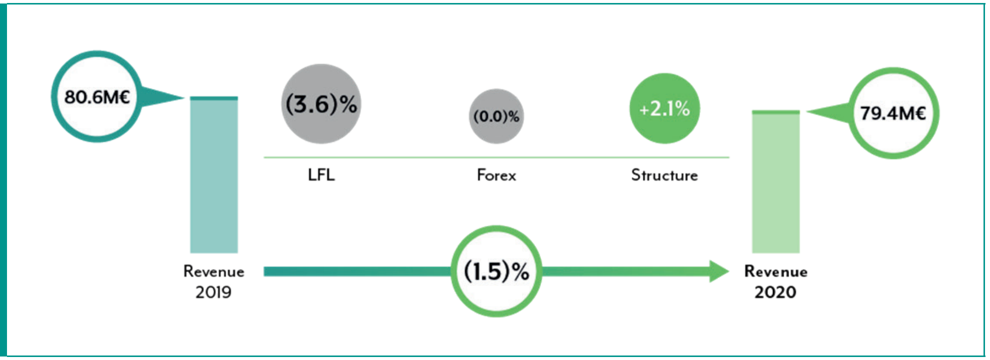
(225) bps
Change[2]

16.0 %
% of Group consolidated revenue

388
Employees

In € million	12/31/2020	12/31/2019	Change %	Change m€
Revenue	**79.4**	**80.6**	**(1.5)%**	**(1.2)**
EBITDA[1]	17.6	18.7	(6.4)%	(1.2)
EBITDA margin[1]	22.1%	23.3%	(114) bps	-
Depreciation	(7.2)	(6.4)	+12.2%	+0.8
Recurring operating income[1]	**10.4**	**12.3**	**(16.0)%**	**(2.0)**
Recurring operating margin[1]	13.0%	15.3%	(225) bps	-
Other non-recurring operating income and expenses[1]	(0.5)	(0.5)	n..s.	0.0
Operating income	**9.9**	**11.9**	**(16.9)%**	**(2.0)**
Operating margin	*12.4%*	*14.7%*	*(230) bps*	-

Revenue change



(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".
(2) Compared with the same period a year ago.

Revenue

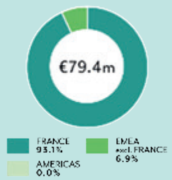
€79.4 m

Growth rate

(1.5)% reported

(3.6)% Like-for-like[1]

Breakdown by geographic region

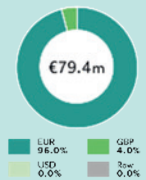


By geographic region, the contribution of:

- France fell by 2.8 point to 93.1 % ;

EMEA (excluding France) climbed byt 2.8 point to 6.9 %.

Breakdown by currency



By currency, the breakdown has changed only marginally since the previous year:

Euro fell by 2.6 point to 96.0 % ;

The British pound's climebed by 2.6 point to 4.0%.

Revenue from **Flow division** decreased by €1.2 million, or 1.5%, to €79.4 million in 2020, compared to €80.6 million in 2019.

The acquisitions of NetEDI made a positive contribution of €1.7 million or 2.1pp to the Group consolidated revenue growth.

Currencies had virtually no impact on 2020 figures.

Like-for-like(20) revenues fell 3.6% over the period.

This business was negatively affected by the Covid-19 pandemic, which caused many in France to make fewer doctor visits during lockdowns, thus diminishing health flows. Some of our clients decided to postpone projects from 2020 to 2021. However, the decline was partly offset by a very good performance in the invoice and process digitalization activity.

Recurring operating income[1]

€10.4m

margin[1]

13.0 % in 2020

15.3 % in 2019

Recurring operating income[1] decreased by €2.0 million, or 16.0%, to €10.4 million in 2020, compared with €12.3 million in 2019. It represented 13.0% of consolidated revenue at December 2020, compared with 15.3% at December 2019.

The *Flow* business was negatively affected by the Covid-19 pandemic, which caused many in France to make fewer doctor visits during lockdowns, thus diminishing health flows. Some of our clients decided to postpone projects from 2020 to 2021. However, the decline was partly offset by a very good performance in the invoice and process digitalization activity. The *Flow* division has substantial fixed costs, which explains the decline in recurring operating income[1].

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Depreciation and amortization expenses **€7.2m**	Growth **+12.2 %**

Depreciation and amortization expenses increased by €0.8 million, or 12.2% to €7.2 million in 2020, compared with €6.4 million in 2019.

This upswing chiefly reflects increases of:

- €1.4 million in amortization excluding R&D and IFRS 16, which amounted to €1.7 million in 2020 compared with €0.2 million in 2019;
- €0.7 million in R&D amortization, which amounted to €4.3 million in 2020 compared with €5.0 million in 2019.

Other recurring operating income and expenses [(1)] **€(0.5)m**	Growth n.s.

Other recurring operating income and expenses[(1)] were virtualy stable at €0.5 million.

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

3.2.1.3 | Data & Marketing division

Data & Marketing

€87.8m
Revenue
2019: €85.8m

2.4 %
Reported[2]
2.4 %
Like-for-like[2]
Growth rate[1]

€11.4m
Recurring operating income (REBIT) [1]
2019: €10.7 m

+6.6 %
Growth rate[2]

13.0 %
REBIT [1] margin
2019: 12.5 %

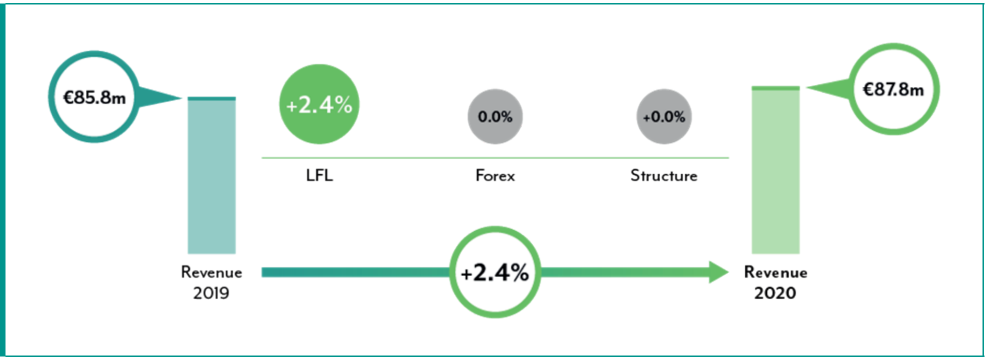
+51 bps
Change[2]

17.7 %
% of Group consolidated revene

344
Employees

In € million	12/31/2020	12/31/2019	Change %	Change €m
Revenue	87.8	85.8	+2.4%	+2.0
EBITDA[1]	17.3	16.2	+6.9%	+1.1
EBITDA margin[13]	19.7%	18.9%	+83 bps	-
Depreciation	(5.9)	(5.5)	+7.4%	(0.4)
Recurring operating income[1]	11.4	10.7	+6.6%	+0.7
Recurring operating margin[1]	13.0%	12.5%	+51 bps	-
Other non-recurring operating income and expenses[13]	(0.1)	(0.5)	(75.8)%	(0.3)
Operating income	11.3	10.3	+10.2%	+1.0
Operating margin	12.9%	12.0%	+92 bps	-

Revenue change



(1) *See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".*
(2) *Compared with the same period a year ago.*

Revenue

€87.8m

Growth rate

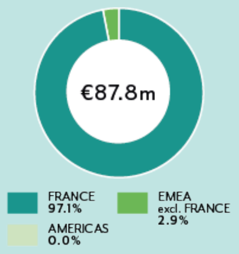
2.4 %

reported

2.4 %

Like-for-like[1]

Breakdown by geographic region

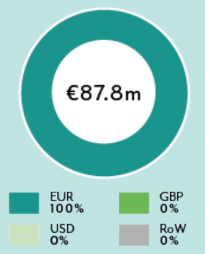


By geographic region, the contribution of:

France was stable at 97.1 % ;

IMEA (excluding France) was virtualy stable at 2.9 %.

Breakdown by currency



By currency, the breakdown has changed only marginally since the previous year:

Euro was virtually stable at 97.1 %.

Revenue from **Data & Marketing** increased by €2.0 million, or 2.4%, to €87.8 million in 2020, compared to €85.8 million in 2019.

There were no divestments or acquisitions and there was no impact from foreign currency translation.

Like-for-like(24) revenues climbed 2.4% over the period.

Data activities experienced strong growth as a result of the pandemic. On the other hand, during the first lockdown of 2020, the pandemic had a detrimental impact on advertising business revenues from pharmacies in France.

Recurring operating income[1]

€11.4 m

Margin[1]

13.0% in 2020

12.5% in 2019

Recurring operating income[1] increased by €0.7 million, or 2=6.6%, to €11.4 million in 2020, compared with €10.7 million in 2019. It represented 13.0% of consolidated revenue at December 2020, compared with 12.5% at December 2019.

The **Data activities** experienced strong growth as a result of the pandemic. On the other hand, during the first lockdown of 2020, the pandemic had a detrimental impact on advertising business revenues from pharmacies in France, which were closed for around a month. Even so, the Data & Marketing division's recurring operating income(1) rose thanks to the Data business.

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Depreciation and amortization expenses €5.9m	Growth rate +7.4%

Depreciation and amortization expenses increased by €0.4 million, or 7.4% to €5.9 million in 2020, compared with €5.5 million in 2019.

Other recurring operating income and expenses[(1)] €(0.1)m	Growth rate n.s.

Other non-recurring operating income and expenses[(1)] were relatively stable at €0.1 million in 2020 compared to €0.5 million in 2019.

3.2.1.4 | BPO division

€48.9m
Revenue
2019: €47.1m€

+ 3.6 %
Growth rate[2] reported

+ 3.6 %
Growth rate[2] Like-for-like[1]

€(0.2)m
Recurring operating income (REBIT)[1]
2019: (2.6)m

(91.7) %
Growth rate[2]

(0.5) %
REBIT[1] margin
2019: (5.6)%

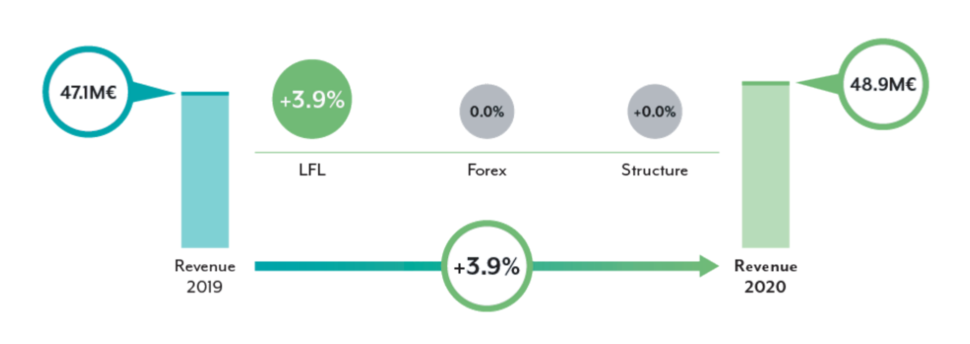
518 bps
Growth rate[2]

9.8 %
% of Group consolidated revenue

520
Employees

In € million	12/31/2020	12/31/2019	Variation %	Variation m€
Revenue	48.9	47.1	+3.9%	+1.9
EBITDA[1]	3.1	0.6	+448.1%	+2.6
EBITDA margin[1]	6.4%	1.2%	+517 bps	-
Depreciation	(3.3)	(3.2)	+3.8%	(0.1)
Recurring operating income[1]	(0.2)	(2.6)	(91.7)%	2.4
Recurring operating margin[1]	(0.5%)	(5.6)%	+518 bps	
Other non-recurring operating income and expenses[1]	0.0	(0.1)	(57.5)%	+0.1
Operating income	(0.3)	(2.8)	(90.2)%	+2.5
Operating margin	(0.6%)	(5.9)%	+532 bps	-

of Group consolidated revenue



(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".
(2) Compared with the same period a year ago.

Revenue

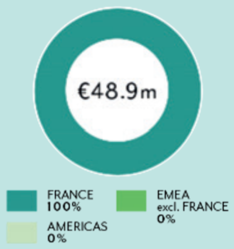
€48.9m

Growth rate

+3.9 % reported

+3.9 % Like-for-like(1)

Breakdown by geographic region



By geographic region, the contribution of France was stable at 100 %.

Breakdown by currency

By currency, the breakdown has not changed since the previous year. Euro reminded at 100 %.

Revenue from the **BPO** division increased by €1.9 million, or 3.9%, to €48.9 million in 2020, compared to €47.1 million in 2019.

There were no divestments or acquisitions and there was no impact from foreign currency translation.

Like-for-like(1) revenues climbed 3.9% over the period.

This business got a boost from adding a new contract in the fourth quarter of 2019, which more than offset the decrease in French residents' use of healthcare during the Covid-19 lockdowns.

Recurring operating income(1)

€(0.2)m

margine(1)

(0.5) % in 2020

(5.6) % in 2019

Recurring operating income(1) reduced its losses by €2.4 million to a loss of €0.2 million in 2020, compared with a loss of €2.6 million in 2019. The BPO division benefited from the start of a new contract in the fourth quarter of 2019, which more than offset the decrease in French residents' use of healthcare during the Covid-19 lockdowns. At the same time, process improvements made it possible for recurring operating income(1) to reach breakeven.

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Depreciation and amortization expenses **€3.3m**	Groawth rate **+3.8%**	**Depreciation and amortization expenses** increased by €0.9 million or 7.7% to €€ 3.3 million in 2020 compared to €3,2 millions in 2019. The increase was mainly attributable to the €0.8 million increase in amortization IFRS 16 over the period.
Other recurring operating income and expenses (1) **€0.0m**	Growth rate **n.s.**	**Other recurring operating income and expenses**(1) were virtually nul in 2020 and 2019.

(1) *See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting*

3.2.1.5 | Corporates and others

Corporate and Others

€3.6m
Revenue
2019: €3.4m

+6.3 %
Growth rate[2]
Reported

+6.3 %
Growth rate[2] Like-for-like[1]

€(3.6)m
Recurring operating income (REBIT)[1]
2019: €(2.7)m

+32.9%
Growth rate[2]

n.s.
REBIT margin[1]
2019: n.s.

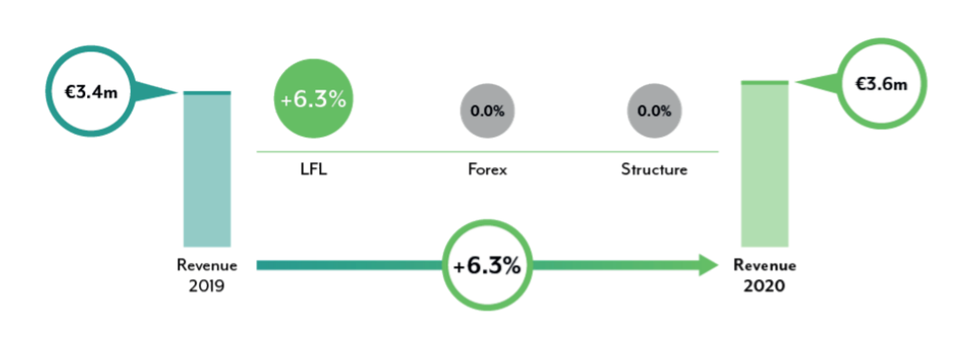
n.s.
Groqth rate[2]

0.7 %
% of Group consolidated revenue

783
Employees

In € million	12/31/2020	12/31/2019	Variation %	Variation m€
Revenue	3.6	3.4	+6.3%	+0.2
EBITDA[1]	7.5	7.6	(1.3)%	(0.1)
EBITDA margin[1]	n.s.	n.s.	n.s.	-
Recurring operating income	(11.1)	(10.3)	+7.7%	(0.8)
Recurring operating income[1]	(3.6	(2.7)	+32.9%	(0.9)
Recurring operating margin[1]	n.s.	n.s.	n.s.	(
Other non-recurring operating income and expenses[1]	(2.2)	0.6	n.s.	(2.8)
Operating income	(5.8)	(2.1)	n.s.	(3.7)
Operating margin	n.s.	n.s.	n.s.	-

Revenue change

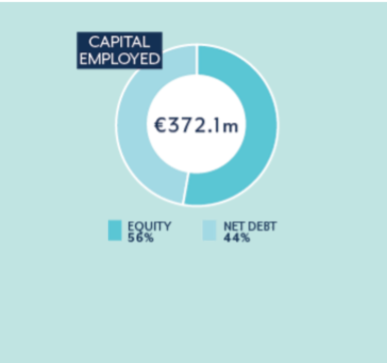


(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".
(2) Compared with the same period a year ago.

Revenue **€3.6 m**	Growth rate **+6,3 %** reported **+6,3 %** Like-for-like[1]	**Revenue for the Corporate and others division** increased by €0.2 million, or 6.3% at €3.6 million in 2020, compared with €3.4 million for 2019. There were no divestments or acquisitions and there was no impact from foreign currency translation
Recurring operating income[1] **€(3.6)m**	margin[1] **n.s.** in 2020 **n.s.** in 2019	**Recurring operating income[1]** decreased by €0.9 million, or 32.9% to a loss of €3.6 million in 2020, compared with a €2.7 million loss in 2019.
Depreciation and amortization expenses- **€(11.1)m**	Growth rate **+7.7%**	**Depreciation and amortization expenses** increased by €0.8 million, or 7.7% to €1.1million in 2020, compared with €10.3 million in 2019
Other recurring operating income and expenses [1] **€(2.2)m**	Growth rate **n.s.**	**Other non-recurring operating income and expenses[1]** increased by €2.8 million to a charge of €2.2 million in 2020 compared with a charge of €0.6 million in 2019.

(1) *See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".*

3.2.2 | Financial structure as of December 31, 2020



In € million	Note	12/31/2020	12/31/2019	Change %
Asset				
Goodwill		186.0	192.7	(3.5)%
Intangible fixed assets		163.0	157.5	+3.5%
Tangible assets	a	110.3	99.2	+11.2%
Financial assets	b	20.5	19.8	+3.8%
Other non-current assets	c	55.0	47.6	+15.5%
Total non-current assets		**534.9**	**516.8**	**+3.5%**
Trade receivables – short-term portion		134.7	144.0	(6.5)%
Cash & cash equivalents		24.7	29.1	(14.9)%
Other current assets	d	211.1	118.7	+77.8%
Total current assets		**370.5**	**291.8**	**+27.0%**
Total assets		**905.4**	**808.6**	**+12.0%**
Liabilities		12/31/2020	12/31/2019	Variation %
Long-term financial debt	e	186.3	195.7	(4.8)%
Other non-current liabilities	f	107.9	95.2	+13.3%
Total non-current liabilities		**294.1**	**290.8**	**+1.1%**
Short-term financial debt	e	2.6	14.0	(81.3)%
Other current liabilities	d & g	400.7	302.6	+32.4
Total current liabilities		**403.3**	**316.5**	**+27.4%**
Total liabilities		697.5	607.4	+14.8%
Shareholders' equity	**h**	**207.9**	**201.2**	**+3.3%**
Total liabilities and shareholders' equity		**905.4**	**808.6**	**+12.0%**

a) Including €75.6 million of right-of-use assets at December 31, 2020 and €64.5 million at December 31, 2019.

b) Excluding equity shares in equity method companies.

c) Including deferred tax assets of €33.2 million at December 31, 2020, and €31.8 million at December 31, 2019.

d) Including the advances paid by clients at the health Insurance BPO business for €171 millions at December 31, 2020 and €81 millions at December 31, 2019.

e) Long-term and short-term liabilities include liabilities under our employee profit-sharing plans in the total amount of €7.2 million at December 31,, 2020, and €6.8 million at December 31, 2019.

f) Including the IFRS 16 liabilities of €62.3 million at December 31, 2020 and €52.4 million at December 31, 2019.

g) Including "tax and social liabilities" of €108.7 million at December 31, 2020, and €91.6 million at December 31,, 2019. This includes VAT, French and US profit-sharing schemes, provisions for leave days, social security contributions in France, French health insurance coverage, and wage bonuses. Including also the IFRS 16 liabilities for €15.2 million at December 31, 2020, and €13.5 million at December 31, 2019.

h) Including minority interests of €0.2 million at December 31, 2020, and €0.2 million at December 31, 2019.

3.2.2.1 | Comments on the Group's financial position as of December 31, 2020

Consolidated total balance sheet
€905.4m

The consolidated total balance sheet amounted to €905.4 million at December 31, 2020, a €96,7 million or 12.0% increase over December 31, 2019. This increase is mainly attributable to the €90 million increase in receivables linked to outsourced management contracts in the health insurance sector and €11 million increased in the r right-of-use assets (UFRS 16).

Goodwill
€186.0m

Goodwill amounted to €186.0 million at December 31, 2020, compared with €192.7 million at December 31, 2019. This €6.7 million decrease, or 3.5%, was the result of assigning €4.7 million of goodwill from 2019 acquisitions to other identifiable assets, and of a €2.1 million currency impact. Goodwill represented 20.5% of the total balance sheet at December 31, 2020, compared with 23.8% at December 31, 2019.

Intangible assets
€163.0m

Intangible fixed assets rose €5.5 million in net value, or 3.5%, to €163.0 million at December 31, 2020, compared with €157.5 million at December 31, 2019. This principally reflects the €3.3 million increase in capitalization of development costs over the period and the currency negative impact of €2.6 million and the amortization over the period. Intangible fixed assets' share of the total balance sheet was 18.0% at December 31, 2020, compared with 19.5% at December 31, 2019

Tangible assets
€110.3m

Tangible assets increased by €11.1 million in net value, or 11.2% to €110.3 million at December 31, 2020, compared with €99.2 million at December 31, 2019. This principally reflects the €11.1million increase of right-of-use assets (IFRS 16) that amounted to €75.6 million as of December 31, 2020, compared to 64.5 million at December 31, 2019. Tangible assets represented 12.2% of total assets at December 31, 2020, compared with 12.3% at December 31, 2019

Trade receivables
€134.7m

Trade receivables decreased €9.3 million, or 8.5%, to €134.7 million at end-December 2020 compared with €144.0 million at end-December 2019. Virtually all trade receivables have maturities of less than one year. These items represented 14.9% of the total balance sheet at December 31, 2020, compared with 17.8% at December 31, 2019.

Shareholders' equity
€207.9m

Equity increased by €6.7 million, or 3.3%, to €207.9 million at December 31, 2020, compared with €201.2 million at December 31, 2019. The change mainly reflects the €8.1 million increase in Group earnings and for €2.0 million in in Group reserves, partially offset by a €3.6 million decrease in translation reserves. Equity represented 23.0% of total assets at December 31, 2020, compared with 24.9% at December 31, 2019.

3.2.2.2 | Comments on net financial debt as of December 31, 2020

Net financial debt [1]

In € million	Note	12/31/2020	12/31/2019	Variation %
Long-term financial debt		186.5	195.7	(4.8)%
Short-term financial debt		2.6	14.0	(81.3)%
Gross debt		188.9	209.7	(9.9)%
Cash & cash equivalents		24.7	29.1	(14.9)%
Net financial debt excluding IFRS 16 debt[33]		164.2	**180.6**	(9.1)%
IFRS 16 debt		77.6	65.9	+17.7)%
Net financial debt[33]	**f**	241.7	246.5	(1.9)%
Equity	g	207.9	201.2	+3.3%
Gearing	h=f/g	1.2	1.2	-
EBITDA[27] LTM	i	103.9	101.2	+2.6%
Leverage ratio	f/i	2.3	2.4	-

(h) Net financial debt to total equity ratio.

Cegedim's principal financing arrangements, description

Euro PP of €135.0 million at a 3.50% fix rate maturing on October 8, 2025.

Revolving credit of €65.0 million, maturing on October 9, 2024. The one-year loan extension option was activated on December 2019. As of December 31, 2020, the RCF was undrawn.

FCB loan of €45.1 million maturing on November 20, 2025. The FCB loan bears interest at a rate of 200 basis points above the rate applicable under the revolving credit facility agreement. The interest is payable semi-annually on June 30 and December 31 of each year.

Overdraft facility of €24.0 million, unused as of December 31, 2020

Cegedim's principal financing arrangements by maturity

In € million	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Euro PP	135.0	-	135.0	-
Revolver credit facility	65.0	-	65.0	-
FCB loan	45.1	-	45.1	-
Overdraft facilities	24.0	24.0	-	-
Total	269.1	24.0	245.1	0.0

Total financial liabilities **€188.9m**	**Total financial liabilities** decreased by €20.8million, or 9.9%, to €188.9 million at December 31, 2020, compared to €209.7 million at December 31, 2019. The decline is due mainly to the repayment of €20 million drawn on the revolving credit facility. - **Long-term financial liabilities** decreased by €9.4 million , or 4,8% to at €186.3 million at December 31, 2020, compared with €195.7 million at December 31, 2019. Long-term liabilities include liabilities under Cegedim's employee profit-sharing plans in the total amount of €6.0 million at December 31, 2020, compared with €5.3 million at December 31, 2019. - **Short-term debts** decreased by €11.4 million, i.e. 81.3%, to €2.6 million at December 31, 2020, compared with €14.0 million at December 31, 2019. Short-term liabilities include €1.2 million for the short-term portion of an employee profit-sharing plan at December 31, 2020, compared with €1.5 million at December 31, 2019
Cash and equivalents **€24.7m**	**Cash and equivalents** came to €24.7 million at December 31, 2020, a €4.3 million decrease compared to December 31, 2019. Cash and cash equivalents represented 2.7% of total assets at December 31, 2020, compared with 3.6% at December 31, 2019.
Net financial debt [1] **€164.2m**	**Total net financial debt**[1] amounted to €164.2 million, down €16.4 million compared with a year ago. It represented 79.0% of shareholders' equity at December 31, 2020, compared with 89.7% at December 31, 2019. Long- and short-term liabilities include €7.2 million for an employee profit-sharing plan, and €0.8 million of other debt at December 31, 2020.
Lease liabilities **€77.6 m€**	**The lease liabilities** increased by €11.7 million, or 17.7%, to €77.6 million at December 31, 2020, compared to €65.9 million at December 31, 2019. €62.3 million are classified as long-term debt and €15.2 million, as the short-term portion. Therefore, total Group liabilities amounted to €241.7 million at December 31, 2020, compared to €246.5 million at December 31, 2019.
Off-balance sheet commitments	Cegedim SA provides guarantees and securities covering the operational or financing obligations its subsidiaries incur in the ordinary course of business. See Chapter 4, Point 4.6, Note 20.3

3.2.3 | Summarized consolidated cash flow statement as of December 31, 2020

Xash flow statement

In € million	12/31/2020	12/31/2019
Cash flow from operating activities before tax paid and taxes	98.2	95.9
Tax paid	(6.3)	(2.2)
Change in working capital[1]	+18.5	(64.5)
Free cash from (used in) operating activities	**+110.4**	**+29.3**
Net cash from (used in) investing activities	**(69.3)**	**(76.4)**
Net cash from (used in) financing activities	**(45.2)**	**(5.2)**
Total cash flows excluding currency impact	**(4.1)**	**(52.3)**
Change due to exchange rate movements	(0.3)	+0.3
Change in cash	**(4.3)**	**(52.0)**
Net cash at the beginning of the period	29.1	81.1
Net cash at the end of the period	24.7	29.1

(1) a "+" sign indicates a release and a sign "-" indicates a requirement

Cash-flow libre opérationnel[1]

In € million	12/31/2020	12/31/2019
Cash flow from operating activities before tax and interest	98.2	95.9
Change in working capital requirement	+18.5	(64.5)
Corporate tax paid	(6.3)	(2.2)
Net cash from operating activities	**+110.4**	**+ 29.3**
Acquisitions of intangible assets	(54.6)	(50.7)
Acquisitions of tangible assets	(19.9)	(11.7)
Disposal of intangible assets and tangible assets	+11.0	+ 8.3
Free cash flow from operation[1]	**+46.9**	**(24.8)**

Total capital expenditures

In € million	12/31/2020	12/31/019
Capitalized R&D	(50.8)	(47.6)
Maintenance capex	(24.7)	(14.8)
Total capital expenditures excluding acquisition / disposal and investment in discontinuing activities	**(75.5)**	**(62.4)**
Acquisition / disposal	(6.1)	(25.4)
Total capital expenditures	**(81.6)**	**(87.8)**
Consolidated Group revenue	496.9	503.7
Total capital expenditures excluding acquisition / disposal and investment in discontinuing activities to Revenue ratio	*15.2%*	*12.4 %*

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

3.2.3.1 | Comments on the cash flow statement as of December 2020

Net cash flow from operating activities **€110.4m**	**Cash flow generated from operating activities** increased by €81.1 million to an inflow of €110.4 million at December 31, 2020, compared with an outinflow of €29.3 million at December 31, 2019. This improvement is chiefly attributable to a substantial € reduction in WCR and a higher net profit.
Change in working capital **+€18.5m**	**Working capital** levels vary as a result of several factors, including seasonality and the efficiency of the receivables collection process. Historically, Cegedim has financed its working capital **requirements** with cash on hand and amounts available under the revolving credit facility and overdraft facilities. **Working capital requirement** amounted to a working capital release €18.5 million at December 31, 2020, compared with a working capital requirement of €64.5 million at December 30, 2019. The improvement in WCR is attributable to a €15 million boost from the postponement of social charges and rent payments as a result of efforts to mitigate the impacts of the Covid-19 crisis and the fluctuation in advances paid by clients at the health Insurance BPO business.
Net cash flow used in investing activities **€69.3m**	**Net cash flow used in investing activities** decreased by €7.1 million, to an outflow of €69.3 million at end-December 2020, compared with an outflow of €76.4 million at end-December 2019. The change in cash flow from investing activities is mostly due to the capitalization of R&D anf acquisition/ disposal. The decrease in 2020 is largely attributable to the €6.1 million decrease in acquisition /disposal in 2020 fact conversely to the €25.4 million spent on acquisitions in H1019.
Net cash flow used in financing activities **€45.2m**	**Net cash flow used in financing activities** increased by €40.0 million, resulting in an outflow of €45.2 million at December 31, 2020, compared with an outflow of €5.2 million at December 31, 2019. This trend reflects mainly the repayment of €20 million drawn on the revolving credit facility.

Change in net cash €(4.3)m	**The change in net cash** from operations, investment operations, and financing operations was a decrease of €4.3 million at the end of December 2020, including a €0.3 million negative contribution from exchange rate movements.
Free cash flow from operations [1] +€46.9m	**Free cash flow from operations**[1] amounted to a release of €46.9 million for 2020, compared with a requirement of €24.8 million for 2019. This €71.7 million increase came mainly from a significant decrease in WRC.

3.3 | Investment policy

Investment policy	Cegedim's investment policy is designed to support and enhance the Group's growth potential in its markets and is focused on: - financial investments (acquisitions and disposals of assets); and - investments related to operations (organic growth).

3.3.1 | Investment policy

Investissements financiers	healthcare sector and other sectors. The main driver of international expansion is a desire to support its customers in their markets. The Company regularly looks into acquisition opportunities that are consistent with this strategy. It does not actively and methodically search for targets. However, it does constantly monitor potential targets in-house so it can seize the best opportunities when they arise. By and large, if it is acquiring a business with a revenue of under €10 million, Cegedim uses its own funds. For larger transactions, however, it examines the need for debt financing on a case-by-case basis. The lenders (banks and Euro PP bondholders) must approve transactions worth over €50 million if the leverage ratio is higher than 2.00 times. The Group complied with all these covenants as of December 31, 2020, and there is no foreseeable risk of default. See point 3.7 "Major contracts" of the section "Specific clauses of the Loan and Bond agreements". Transaction prices and financial terms and conditions are protected by non-disclosure agreements. All earnouts were recorded.
Impact of changes in consolidtaion scope	**The impact of changes in consolidation scope** was an outflow of €6.0 million at the end of December 2020, compared with an outflow of €25.4 million at the end of December 2019. In 2020, this outflow is related to the acquisition of a minority stake of 34% in the Clamae Group in October 2020.

Acquisitions made in the past three years

In € million	Price excluding earnouts	Earnouts	Total price of acquisitions
2018	7.2	0.0	7.2
2019	27.5	0.0	27.5
2020	6.0	-	6.0

Description of acquisitions made in 2018

March 2018: Acquisition by **Cegedim SRH** of the French company **Rue de la Paye**. The deal has enabled the Group to market digital payroll solutions to 2 million SMEs and small businesses in France, including—importantly—thousands of healthcare professionals that were already Cegedim Group clients. Rue de la Paye's 2017 revenues were equivalent to around 1% of 2017 consolidated Group revenues, and it earned a profit. It began contributing to the Group's consolidation scope in April 2018.

Description of acquisitions made in 2019

January 2019: Acquisition by *Cegedim* of the German company *XimantiX*. Building on its presence in the digitalization market in Belgium, France, the United Kingdom, and Morocco, Cegedim now has a solid base for this activity in Germany, Europe's leading economy. By acquiring a German leader positioned on the midmarket segment, Cegedim e-business will be able to develop its offer for SMEs. *XimantiX* customers will gain access to a wider range of services, thanks to Cegedim's international scope. *XimantiX's* 2018 revenues came to €2.2 million, and it earned a profit. It began contributing to the Group's consolidation scope in January 2019.

January 2019: *Cegedim* acquired *BSV Electronic Publishing*, the leading provider of invoice digitization solutions to French municipalities and widely respected for its successful Electronic Document Management System (EDMS). *BSV*'s ZeDOC software suite includes electronic document management—a dynamic data capture tool that sets it apart from a conventional EDMS based on document indexing—Optical Character Recognition (OCR), and Automatic Document Recognition (ADR). *BSV Electronic Publishing* generated revenue of €1.2 million in 2018. It began contributing to the Group's consolidation scope in February 2019.

February 2019: *Cegedim* acquired French company *RDV Médicaux*, an online appointment scheduling site whose close collaboration with hotlines gives it a unique positioning. This deal clearly reaffirms *Docavenue's* ambition to help healthcare professionals focus on patient care by offering innovative services that are 100% designed to improve the French healthcare system. *RDV Médicaux's* 2018 revenues came to €0.6 million. It began contributing to the Group's consolidation scope in March 2019.

July 2019: *Cegedim* acquired French company *Cosytec*, which was founded in 1990 and sells HR and equipment planning software that uses constraint programming technology. *Cosytec's* offerings will augment *Cegedim SRH's* product range. The company's client base is made up of SMEs and large corporations in the media, transportation, and services sectors. *Cosytec* generated revenues of €1.3 million in 2018 and earned a profit. It began contributing to the Group's consolidation scope in August 2019.

August 2019: *Cegedim* acquired UK company *NetEDI*, a major provider of e-procurement (using the PEPPOL EDI system) and e-invoicing for the UK National Health System. Building on the *BSV* and *Ximantix* acquisitions, the addition of *NetEDI* strengthens Cegedim e-business' ability to work with its clients internationally. *NetEDI* generated revenues of €2.8 million in 2018 and earned a profit. It began contributing to the Group's consolidation scope in August 2019

Description of acquisitions made in 2020	**Octobre 2020 :** *Cegedim* has acquired a minority stake of 34% in the *Clamae Group* via a €6 million reserved capital increase. Clamae has a subsidiary that specializes in innovative payment systems made possible under the EU's PSD2 framework. The technologies Clamae has developed will be put to good use in nearly all of Cegedim Group's products and services (health insurance products. data management and digitization. and apps for healthcare professionals)... **No acquisitions** were carried out between December 31, 2020, and this document's filing date
Description of divestments carried out over the past three years	**January 2018 : *Cegedim*** sold its Tunisian subsidiaries, *Next Software* and *Next Plus* (owned by *Next Software* and a private individual). Both businesses have been outside the scope of consolidation since January 1, 2018. In 2017, they generated revenue of €0.1 million. **February 2018 :** On February 28, 2018, *Cegedim* announced the definitive sale of the *Cegelease* and *Eurofarmat* activities to Franfinance (Société Générale Group) for €57.5 million. The deconsolidation took place on March 1, 2018. In 2017, these activities generated revenue of €13.0 million. As a result of this transaction, Cegedim now has a portfolio of businesses that are a good fit for each other and generate strong synergies. No further divestments are planned. **August 2019 :** In August 2019, *Cegedim* sold virtually all the business activities of its wholly owned subsidiary, *Pulse Systems Inc.*, to CareTracker Inc., an affiliate of N. Harris. Under the terms of the sale, *Pulse's* software solutions and services, RCM services, all customer contracts, a portion of supplier contracts, and much of its personnel were transferred to the buyer. As part of a group with a solid foundation in North America, *Pulse* will have all the resources it needs to successfully pursue its development. The deal will allow *Cegedim* to focus its efforts on Europe and the UK, and to improve its financial position. The divestment resulted in asset impairment of €16.3 million. *Pulse* contributed €11.3 million to the Group's consolidated 2018 revenues and €5.6 million to 2019 revenues. In 2019, Pulse's contribution to group EBITDA was insignificant and its contribution to operating income was negative €18.2 million. Pulse Systems Inc. will be wound up in the coming months. **No divestments** were carried out between December 31, 2020, and this document's filing date
Planned investments	Planned investments to which management is already firmly committed: At the date of filing of this Universal Registration Document, no firm undertakings had been made by Cegedim Group.
Equity investment details	Direct and indirect equity investments and disposals of equity interests by Cegedim SA: None. Equity investments made this year that increased our stake to over one-twentieth, one-tenth, one-fifth, one-third, one-half, or two-thirds of the capital of a company with a registered office in the territory of the French Republic, and takeovers of any such companies (French Commercial Code, Article L. 233-6, para. 1and L.247-1,1): **in 2018 :** None. **in 2019 :** Direct equity investments by Cegedim SA: *Pharmazon*, a French company held at 28.6%.. **in 2020 :** Direct equity investments by Cegedim SA: *CLAMAE Group*, a French company held at 34%.

3.3.2 | Operating investments

Operating investments	Operating investments are aimed at accelerating the Group's organic growth by expanding its range of products and services; launching new features, offerings, and business activities; entering new countries, etc. Operating investments are financed with the Group's own funds. Most investments consist of R&D expenses, part of which are capitalized. For more detail on R&D investments, please see the "Research and development" section of Chapter 3.
Research and development at the Cegedim Group level **€50.8m**	Research costs are expensed in the financial year during which they are incurred. Development costs for new in-house projects are capitalized if the following criteria are fully met in accordance with IAS 38: • the project is clearly identified, and the related costs are separable and tracked reliably; • the technical feasibility of the project has been demonstrated, and the Group has the intention and the financial capacity to complete the project and use or sell the products resulting from the project; • the project being developed will generate probable future economic benefits for the Group. Otherwise, the development costs are expensed in the financial year in which they are incurred. Once in use, a project whose development is complete is transferred to the balance sheet, under the relevant asset category (generally software), and amortization is based on its estimated useful life. Development costs capitalized in the consolidated accounts in 2020 totaled €50.8 million. **The main projects are:** - Solutions for health insurance and mutual health insurance companies with significant application upgrades designed to streamline their management tools, as well as a back-office solution in full SaaS mode; - Products and services for French and UK doctors; - The development of platforms offering digitization services; - The development of additional modules for HR and payroll management applications; - The continued development of of products and services for pharmacists in France and the UK and of the online appointment scheduling and remote consultation platform.. Cegedim SA houses the Group research and development teams assigned to projects that use the Group's shared IT infrastructure. Some regional R&D centers (notably in Spain, Morocco, and Egypt) and subsidiaries also have their own teams, and their research and development activities are coordinated by the head office. These specific development efforts are supplemented with investment in software and hardware. Dedicated IT teams perform daily application maintenance for all the solutions marketed by the Group's different subsidiaries (costs are expensed for the year). In all, Cegedim Group devotes about 14.9% of its annual revenue to research and development, though this figure is not an objective in itself..

Capital expenditures excluding acquisitions / disposals **€75.5m**	**Capital expenditures excluding acquisitions and divestments** were up compared with previous years. Historically, the principal items have been R&D, maintenance costs, and acquisitions / disposals. There are no material capital expenditure commitments. Flexibility and discretion are maintained in order to periodically adjust the level of capital expenditures to the needs of Cegedim's business. At December 31, 2020, **capital expenditures** increased by €13.1 million, or 21.1%, to €75.5 million compared with €62.4 million at December 31, 2019. The capital expenditures breakdown was as follows: €50.8 million of capitalized R&D in 2020 compared with €47.6 million in 2019, and €24.7 million in maintenance capex in 2020 compared with €14.8 million in 20198. Capital expenditures represented 15.2% of consolidated revenue over 2020, compared with 12.4% over 2019.
R&D effort relative to revenues (1) **14.9%**	**Payroll expenses for the R&D workforce** represent around 14.9% of the last 12 months of Group revenue. Although this percentage is not a targeted figure, it has increased compared with the past several years *(1) Payroll expenses for the R&D workforce as a percentage of consolidated revenue.*

3.4 Related party transactions

Related party transactions	A description of transactions with related parties is available in Chapter 4 "Consolidated Statements", Section 4.6, Note 19.

3.5 Events after December 31, 2020

No significant events occurred between December 31, 2020, and the date of publication of this Universal Registration Document

3.6 Outlook

2020 performance	The Group had set the following targets for 2020: - in March 2020, Faced with the spread of the coronavirus and the COVID-19 epidemic it was impossible to issue specific guidance on the Group's 2020 outlook; - in July 2020, Cegedim was looking for relatively stable revenues in full-year 2020 relative to 2019, by specifying that this outlook may need adjustment if health conditions in Europe significantly deteriorate in the second half of 2020 - in September 2020, Cegedim was looking for nearly stable FY 2020 revenue and recurring operating income. It was specify that these targets may need to be revised if the Covid-19 crisis causes a severe tightening of public health restrictions after the first-half accounts was published; - in October 2020, the coming announcement of a severe tightening of public health restrictions related to the Covid-19 pandemic has forced the Group to suspend its targets for revenues and recurring operating income; - in January 2021, the Group expected like-for-like revenue growth of c.2%. FY 2020 revenues came to €496.9 million, down 0.2% like for like[27] compared with the same period in 2019. FY 2020 EBITDA[27] pact came to €103.9million, up 2.6% year on year.
2020 outlook	For 2021, the Group expects like-for-like revenue growth of c.2% and recurring operating income[27] growth of c.4%. The Group does not expect to make any significant acquisitions in 2021. And lastly, the group does not provide earnings estimates or forecasts.
Notice	*The figures cited above include guidance on Cegedim's future financial performances. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this document is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 7, Section 7.2, "Risk factors".*

3.7 Major contracts

Major contracts	Significant contracts in the two years preceding the publication of this Universal Registration Document, other than contracts signed in the normal course of business to which Cegedim or any other member of the Group is party, related to external growth operations. They are systematically subject to confidentiality agreements. When these transactions are concluded, and if they are likely to have a significant impact on the issuer's situation, they are announced in a press release that can also be consulted on the Company's website (www.cegedim.com). All contracts entered into by Group entities, up to the date of this Universal Registration Document, which contain provisions that impose obligations or commitments of Group-wide importance on any of the Group's entities, are mentioned in Note 20.3 of the Consolidated Financial Statements presented in Chapter 4, Section 4.6 of this Universal Registration Document.
Loan contract	On October 9, 2018, the Group arranged a bank revolving credit facility (RCF) of €65 million maturing on October 9, 2023, with a one-year extension option. The remainder of the previous €200 million RCF was redeemed early on October 9, 2018, i.e. €115 million. The Loan contract contains the undertakings, guarantees, and restrictive covenants typically found in such documents, as noted below in the section "Specific clauses of the Loan and Bond agreements". The Loan contract also specifies that the FCB Loan is to remain subordinate
Bond	On October 8, 2018, Cegedim issued a private placement Euro PP maturing on October 8, 2025, for an amount of €135 million. The bond has a change of control clause that would trigger a mandatory early redemption of the Bond if requested by individual bondholders in the event that control of the Company is transferred to a person or group of persons acting in concert. In addition, as usual for these kinds of agreement, certain events of default may trigger an early redemption. The terms of the Bond also specify that the FCB Loan is to remain subordinate. Key clauses are spelled out below in the section "Specific clauses of the Loan and Bond agreements".

Specific clauses of the Loan and Bond agreements	The Euro PP and RCF are: - governed by the standard commitment and default clauses customarily included in this type of agreement: pari passu ranking, a negative pledge clause that limits the security that can be granted to other lenders, and a cross default obligation. - subject to financial ratio covenants. Compliance with these financial covenants is determined according to IFRS. The Group must ensure that, for any relevant 12-month period until the termination date, its leverage ratio is less than 2.50 and its interest cover ratio is greater than 4.50. For the purposes of the calculation, net financial debt does not include employee profit sharing liabilities or the FCB loan. The net debt to EBITDA ratio came to 1.28 (1.51 in Dec. 2019) and the EBITDA to interest expense ratio came to 15.97 (15.01 in Dec. 2019). - subject to a dividends clause, limiting distribution to a maximum of 50% of the consolidated net income if the leverage ratio is lower than 1.00 and to a maximum of 30% if the leverage ratio is greater than 1.00 and less than 2.50. - subject to an acquisition clause, limiting the aggregated enterprise value of all acquisitions made or to be made during a financial year to a maximum of €50 million if the leverage ratio is higher than 2.00. If the ratio is lower than 2.00, the Enterprise value of the acquisitions is not capped. The Group complied with all these covenants as of December 31, 2019, and there is no foreseeable risk of default.

3.8 | Analysis of the financial position of Cegedim SA.

3.8.1 | Rules, methods and key indicators

Presentation rules and valuation methods	The annual financial statements for the financial year ended December 31, 2020, which we are submitting for the approval of the General Meeting, were prepared in accordance with the presentation rules and valuation methods set forth in current regulations. The presentation rules and valuation methods used are identical to those used for the previous financial year.
Key financial performance indicators	- Revenue generated within the Group and outside the Group; - Dividends received; - nvestments; - Financial structure. Detailed comments on these are provided below.
Key non-financial performance indicators	Cegedim has pooled the IT resources it makes available to its subsidiaries and their clients. It is therefore essential for Cegedim to be on the cutting edge of new technologies, to make sure that these systems are operating optimally, and to ensure that they are maintained and secure (physical security, access security, information security, administration security, and development security). Cegedim considers employee training to be a key success factor, leading to satisfied clients and motivated employees. Cegedim's training policy focuses on continuously adapting the skills of its research and development teams and helping its employees acquire new skills necessary for their work. The Cegedim Group's international expansion, particularly through acquisitions, depends on its ability to incorporate new activities. That being the case, Cegedim takes measures to accelerate the incorporation of new activities, mitigate the risks inherent in expansion, and track performance.
Governmental, economic, budgetary, monetary, or political strategies or factors capable of influencing Cegedim's operations directly or indirectly	To the Company's knowledge, except for the developments presented in Note 30 of Chapter 5, Section 5.3.3, there are no specific governmental, economic, budgetary, monetary, or political strategies or factors capable of influencing Cegedim's operations directly or indirectly.

3.8.2 | Comments on the P&L

Revenue **€79.9m**	Cegedim SA's **revenue** climbed by 5.48%, from €75.99 million in 2019 to €79.9 million in 2020. This increase mainly reflects the increase in e-business activities. For more information on the e-business activity trend, please refer to the performance analysis of the Flow division on section 3.2.1.2.
Operating earnings **€(3.5)m**	**Operating earnings** amounted to a loss of €3.5 million in 2020, a loss virtualy stable compared with the €3.3 million loss of 2019. **Operating income** increased by 5.6%, from €83.4 million in 20198 to €88.1 million in 2020. Highlights included: - A €4.1 million increase in revenue compared with 2019; - A €1.3 million increase in capitalized R&D compared with 2019. **Operating expenses** increased, by 5.8%, from €86.6 million in 2019 to €91.6 million in 2020. Highlights included: - A €4.0 million increase in other external purchases and expenses.
Financial result **€13.8m**	**The financial result** was an income of €13.8 million in 2020, compared with a €16.7 million charge in 2019. This included €30.7 million in financial income and €16.9 million in financial expenses. - **Financial income** increased by €1.2 million, or 4.2%, mainly due to the €5.1 million increase in reversals of provisions and transfers of expenses partially offset by €4.1 million Financial income from investments. - **Financial expenses** decreased by €29.3 million, or 63.4% mainly due to the €29.3 million, or 74.6%, decrease in allocations to depreciation and provisions
Recurring earnings before tax **€10.3m**	**Recurring earnings before tax** amounted to a €10.3 million profit in 2020, compared with a loss of €129.9 million in 2019.
Net exceptional income **€(13.4)m**	**Net exceptional income** in 2020 was a loss of €13.4 million, compared with a profit of €1.7 million in 2019. This resulats from exceptionnal charge on a €21.0 million capital transaction related to the disposal of Alliance Softwareshares to another subsidiaryowned at 100% by Cegedim SA.

Income taxes €9.3 m	**Income tax** for 2020 amounted to an income of €9.3 million, compared to an income of €9.9 million in 2019.
Net profit €5.6m	**Net profit** for 2020 amounted to a profit of €5.6 million, compared to a loss of €9.1 million in 2019.

3.9 Research and development at the Cegedim SA level

Research and development at the Cegedim SA level	Cegedim SA houses the Group development teams assigned to projects that use the Group's shared IT infrastructure. Development projects completed in FY2020 were capitalized in the parent company financial statements at €6.22 million, all projects combined. This capitalization was recorded in the balance sheet, as all the conditions set forth by the French national accounting standards (Plan Comptable Général) were met. The Company continued and stepped up the development of its SaaS platform, which digitizes and manages of all types of documents—paper, structured files, images—and processes. It also continued to develop its internal rapid application configuration platform to provide shared application bases for some software solutions. Aside from these specific developments, Cegedim handles daily application maintenance for all the Group's joint offers based on a budget that is relatively comparable each year.

3.9.1 | Accounts payable aging schedule

Accounts payable aging schedule

In € million	Total accounts payable at 12/31/2020	Accounts payable, not yet due	Accounts payable, current	Past due < 30 days	Past due 31 – 60 days	Past due > 60 days
Internal suppliers	7,598,147	7,555,640	42,507	42,507	0	0
External suppliers	3,554,471	2,553,526	1,000,945	111,145	261,439	628,361
Total accounts payable	11,152,618	10,109,166	1,043,452	153,652	261,439	628,361

In € million	Total accounts payable at 12/31/2019	Accounts payable, not yet due	Accounts payable, current	Past due < 30 days	Past due 31 – 60 days	Past due > 60 days
Internal suppliers	2,321,767	2,258,264	63,503	-11,447	-	74,951
External suppliers	4,816,495	4,387,107	429,388	37,863	5,053	386,471
Total accounts payable	7,138,262	6,645,371	492,891	26,416	5,053	461,422

Payment period for receivables and payables

Current payables and unpaid receivables as at December 31, 2018 (table provided in accordance with Article D.441-4 of the Commercial Code)

Article D. 441 I.-1°	Invoices **received** but unpaid and current or past due on December 31, 2019.						Invoices **sent** but unpaid and current or past due on December					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Breakdown by number of days past due												
Numbers of invoices	10					510	531					930
Amount, all taxes included	234	132 164	261 439	192 570	435 791	1 021 964	1 643 228	954 939	1 604 070	1 317 767	1 981 820	5 858 596
Percentage of the total amount of purchases including tax for the year	0,00%	0,26%	0,52%	0,38%	0,87%	2,04%						
Percentage of revenue (excluding taxes) for the year							2,06%	1,19%	2,01%	1,65%	2,48%	7,33%
(B) Invoices excluded from (A) related to disputed or contentious debt and receivables												
Numbers of invoices excluded	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices (excluding taxes)	-	-	-	-	-	-	-	-	-	-	-	-
(C) Reference payment period used (contractual or legal, Article. L. 441-6 or L.443-1 of the French Commercial Code												
Payment deadline used for calculation	Contractual deadline: 60 days Legal deadline: 60 days						Contractual deadline: 60 days Legal deadline: 60 days					

3.10 Dividends paid in respect of the last three financial years

Dividend distribution policy

The Group paid no dividends in respect of 2018, 2019, or 2020.

The Group does not plan to pay regular cash dividends before it has completed its business model transformation. Any decision to distribute and pay dividends in the future will be made at the discretion of Cegedim's Board of Directors and will depend on, among other things, the results of the Group's operations, its financial position, cash requirements, contractual restrictions, and any other factors that the Board may deem relevant.

In addition, the Group's ability to pay dividends is, and may continue to be, limited by covenants on the loans that the Group or its subsidiaries have taken or may take in the future.

If the Company holds some of its own shares when a dividend is paid, the distributable earnings corresponding to the dividend not paid on the shares the Company holds will be allocated to retained earnings.

Table of dividends paid in respect of the last three financial years

In accordance with the provisions of article 243 bis of the French General Tax Code, the amounts distributed as dividends for the three previous financial years are as follows

Financial year	Number of shares	Income eligible for tax deduction			Income not eligible for tax deduction
		Dividend		Other income distributed	
		Per share	Overall		
2018	13,997,173	None	None	None	None
2019	13,997,173	None	None	None	None
2020	13,997,173	None	None	None	None

04

CONSOLIDATED FINANCIAL STATEMENTS

4.1 | Consolidated balance sheet

Consolidated assets

In thousands of euros	Note	12/31/2020 Net	12/31/2019 Net
Goodwill on acquisition	10.1	186,036	192,740
Development costs		3,873	21,960
Other intangible fixed assets		159,144	135,579
Intangible fixed assets	10.2	163,017	157,539
Property		544	544
Buildings		2,319	2,960
Other tangible fixed assets		31,835	30,960
Right-of-use assets		75,607	64,538
Fixed assets in progress		0	162
Tangible fixed assets	10.3	110,305	99,164
Equity investments		1,182	1,214
Loans		14,618	14,017
Other long-term investments		4,730	4,546
Long-term investments – excluding equity shares in equity method companies	10.4	20,530	19,777
Equity shares in equity method companies	9.2	21,479	15,080
Deferred tax asset	15.1	33,202	31,750
Accounts receivable: long-term portion		0	0
Other receivables: long-term portion	7.7	0	0
Long-term financial instruments		44	387
Prepaid expenses: long-term portion		249	390
Non-current assets		534,862	516,827
Goods	7.5	3,814	4,434
Advances and deposits received on orders		501	207
Accounts receivable: short-term portion	7.6	134,650	143,986
Other receivables: short-term portion	7.7	193,690	101,684
Short-term financial instruments		1	1
Cash equivalents		0	0
Cash		24,734	29,059
Prepaid expenses: short-term portion		13,103	12,414
Current assets		370,493	291,785
Total Assets		**905,355**	**808,612**

Consolidated liabilities and shareholders' equity

In thousands of euros	Note	12/31/2020	12/31/2019
Share capital		13,337	13,337
Group reserves		188,524	186,526
Group exchange gains/losses		(5,040)	(1,480)
Group earnings		10,834	2,697
Shareholders' equity. Group share		207,655	201,080
Minority interests		247	167
Shareholders' equity		207,902	201,247
Long-term financial liabilities	11.1	186,278	195,694
Non-current lease liabilities		62,331	52,413
Long-term financial instruments		66	626
Deferred tax liabilities	15.1	7,599	8,009
Retirement commitments		35,281	32,250
Non-current provisions	7.9	2,575	1,855
Other non-current liabilities		0	0
Non-current liabilities		294,130	290,847
Short-term financial liabilities	11.1	2,606	13,961
Current lease liabilities		15,244	13,507
Short-term financial instruments		1	2
Accounts payable and related accounts		43,214	50,644
Tax and social liabilities		108,718	91,593
Provisions	7.9	3,045	5,513
Other current liabilities	7.8	230,495	141,299
Current liabilities		403,323	316,519
Total liabilities		**905,355**	**808,613**

4.2 Consolidated income statements

In thousands of euros	Note	12/31/2020	12/31/2019
Revenue		**496,939**	**503,745**
Purchases used		(25,491)	(28,406)
External expenses	7.2	(100,491)	(115,344)
Taxes		(7,904)	(7,319)
Payroll costs	8.1	(256,219)	(249,736)
Impairment on accounts receivable and other receivables and on contract assets		(1,871)	(800)
Allocations to and reversals of provisions		(3,442)	(2,674)
Change in inventories of products in progress and finished products		(0)	(79)
Other operating income and expenses		(65)	(576)
Share of income of equity method companies		2,459	2,437
EBITDA[1]		**103,915**	**101,248**
Depreciation expenses other than right-of-use assets		(46,519)	(48,399)
Depreciation expenses of right-of-use assets		(15,939)	(15,753)
Recurring operating income before special items[1]		**41,457**	**37,096**
Depreciation of goodwill		(0)	(2,800)
Non-recurring income and expenses[1]		(19,914)	(18,204)
Other non-recurring operating income and expenses[1]	**7.3**	**(19,914)**	**(21,004)**
Operating income		**21,543**	**16,092**
Income from cash and cash equivalents		75	93
Gross cost of financial debt		(8,547)	(8,805)
Other financial income and expenses		(171)	140
Cost of net financial debt	**11.5**	**(8,643)**	**(8,572)**
Income taxes		(4,973)	(5,824)
Deferred taxes		3,007	1,003
Total taxes	**15.1**	**(1,966)**	**(4,821)**
Share of profit (loss) for the period of equity method companies		(18)	(8)
Consolidated profit (loss) for the period		**10,916**	**2,691**
Consolidated net income (loss) attributable to owners of the parent	**A**	**10,835**	**2,697**
Income from of equity method companies		81	(6)
Average number of shares excluding treasury stock	B	13,824,493	13,856,173
Current earnings per share (in euros)		1.2	0.6
Earnings per share (in euros)	A/B	0.8	0.2
Earning for recurring operation per share (in euros)		0.8	0.2

4.3 Consolidated statement of comprehensive income

In thousands of euros	Note	12/31/2020	12/31/2019
Consolidated net profit (loss) for the period		10,916	2,691
Unrealized exchange gains / losses		(3,560)	4,134
Hedging of financial instruments			
Gross unrealized gains and losses		236	9
Tax impact		(71)	(3)
Other items that may not later be recycled to profit or loss		(3,395)	4,140
Restatement of net liabilities of defined-benefit schemes			
Gross gains and losses		(151)	(6,809)
Tax impact		44	1754
Other items that may not later be recycled to profit or loss net		(107)	(5,055)
Total earnings		**7,414**	**1,776**
Share of profit (loss) for the period of equity method companies		81	(6)
Consolidated net income (loss) attributable to owners of the parent		**7,333**	**1,782**

4.4 | Consolidated statement of changes in equity

In thousands of euros	Share capital	Share premiums and conso. retained earnings	Exchange differences	Total group share	Share of stakes	Total
Balance at 01/01/2019	13.337	191,058	(5,614)	198,781	174	198,955
Profit (loss) for the period		**2,697**		**2,697**	**(6)**	**2,691**
Gains and losses recognized directly in equity		6	0	6	0	6
Hedging of financial instruments			4,134	4,134	0	4,134
Hedging of net investments		(5,055)	0	(5,055)	0	(5,055)
Exchange differences		**(2,352)**	**4,134**	**1,782**	**(6)**	**1,776**
Actuarial differences related to prov. for retirement		0	0	0	0	0
Total earnings for the period		256	0	256	0	256
Transactions with shareholders		(0)	(0	(0)	(1)	(1)
Capital transactions		261		261	(	261
Securities transactions	**0**	**517**	**0**	**517**	**(1)**	**516**
Distribution of dividends[(1)]		0	0	0	0	0
Treasury shares		0	0	0	0	0
Total transactions with shareholders	13.337	189,223	(1,480)	201,080	167	201,247
Change in consolidated scope		**10,835**		**10,835**	**81**	**10,916**
Balance 12/31/2019		165	0	165	0	165
Profit (loss) for the period			(3,560)	(3,560)	0	(3,560)
Gains and losses recognized directly in equity		(107)	0	(107)	0	(107)
Hedging of financial instruments		**10,893**	**(3,560)**	**7,333**	**81**	**7,414**
Hedging of net investments		0	0	0	0	0
Exchange differences		215		215	0	215
Actuarial differences related to prov. for retirement		(0)	(0)	(0)	(1)	(1)
Total earnings for the period		(980)	0	(980)	0	(980)
Transactions with shareholders	**0**	**(765)**	**0**	**(765)**	**(1)**	**(766)**
Capital transaction		7	0	7		7
Securities transaction		0	0	0	0	0
Balance at 12/31/2020	13.337	199,358	(5,040)	207,655	247	207,902

(1) The total amount of dividends is distributed in respect of common shares. There are no other classes of shares. There were no issues. repurchases or redemptions of equity securities for the years 2019 and 2020. except for the shares acquired under the free share award plan

4.5 | Consolidated statement of cash flows

In thousands of euros	Note	12/31/2020	12/31/2019
Consolidated profit (loss) for the period		**10,916**	**2,691**
Share of earnings from equity method companies		(2,441)	(2,429)
Depreciation and provisions		77,481	53,681
Elimination of revaluation profits / losses (fair value)		0	0
Capital gains or losses on disposals		1,641	28,570
Elimination of dividend income		0	0
Cash flow after cost of net financial debt and taxes		**87,597**	**82,513**
Cost of net financial debt		8,642	8,572
Tax expenses		1,966	4,821
Operating cash flow before cost of net financial debt and taxes		**98,205**	**95,906**
Tax paid		(6,337)	(2,190)
Change in working capital requirements for operations		18,513	(64,456)
Cash flow generated from operating activities after tax paid and change in working capital requirements	**A**	**110,381**	**29,260**
Acquisitions of intangible assets		(54,607)	(50,665)
Acquisitions of tangible assets		(19,920)	(11,704)
Acquisitions of long-term investments		(980)	(0)
Disposals of tangible and intangible assets		11,024	8,321
Disposals of long-term investments		40	261
Change in loans made and cash advances		(754)	893
Impact of changes in consolidation scope(1)		(6,094)	(25,378)
Dividends received		2,032	1,883
Other financial income received and expenses paid		0	0
Net cash flows generated by investment operations	**B**	**(69,259)**	**(76,389)**

In thousands of euros	Note	12/31/2020	12/31/2019
Dividends paid to shareholders of the parent company		0	0
Dividends paid to the equity method companies		(1)	(1)
Capital increase for cash		0	0
Loans issued		0	20,000
Loans repaid		(21,151)	(913)
Repayment of lease liabilities		(16,119)	(16,307)
Interest paid on loans		(5,280)	(5,237)
Other financial income received		1,030	896
Other financial expenses paid		(3,674)	(3,592)
Net cash flows generated by financing operations	**C**	**(45,195)**	**(5,154)**
Change in cash before impact of change in foreign currency exchange rates	**A + B + C**	**(4.073)**	**(52.283)**
Impact of changes in foreign currency exchange rates		(252)	254
Change in cash		**(4.325)**	**(52.029)**
Opening cash		29.059	81.088
Closing cash		24.734	29.059

4.6 Notes to the consolidated financial statements

Note 1 | Reference and general principles

Pursuant to European Regulation No. 1606/2002 of July 19. 2002. on the application of international accounting standards. amended by EC Regulation No. 297/2008 of March 11. 2008. and subsequent European Regulations on IAS/IFRS standards. the consolidated financial statements of the Cegedim Group for the period ended December 31. 2020. were prepared in accordance with international accounting standards. International accounting standards include IFRS (International Financial Reporting Standards). IAS (International Accounting Standards). and their mandatory application interpretations on the closing date.

Cegedim. the Group's parent company. is a société anonyme (a French corporation) with a Board of Directors. incorporated under French law. whose registered office is located at 129-137 rue d'Aguesseau. 92100 Boulogne-Billancourt. France. It is registered with the Nanterre Trade and Companies Registry under reference 350 422 622 RCS Nanterre. and is listed on the Euronext Paris stock exchange. The consolidated financial statements for the year ended December 31. 2020 reflect the accounting position of Cegedim and its subsidiaries. together with its interests in associates and joint ventures. On March 18. 2021. the Board of Directors approved the consolidated financial statements for the year ended December 31. 2020. and authorized their publication. These consolidated financial statements will only be considered as final after their adoption by the June 17. 2021. Annual General Meeting.

1.1 Valuation methods used for the consolidated financial statements

The financial statements mainly use the historical cost principle, except for derivative instruments and financial assets which are measured at fair value. Assets and liabilities related to business combinations are also measured at fair value.

New standards and interpretations applicable effective January 1, 2020

The other IFRS standards and amendments that took effect for 2020 had no impact on the Group's financial statements at December 31, 2020:

- Amendments to IFRS 3 – Business Combinations – Definition of a Business;
- Amendments to IAS 1 and IAS 8 – Definition of Material;
- Amendments to References to the Conceptual Framework in IFRS standards;
- Amendments to IFRS 9 and IFRS 7 – Interest Rate Benchmark Reform.

IFRS 16 on leases: On December 16, 2019, the IFRIC published a position on assessing lease terms, which was supplemented on July 3 by an ANC recommendation specifically referring to the status of French commercial leases renewed by tacit agreement. Leases were reviewed in 2020 based on these positions, but the impact at January 1, 2020, was not material. The IFRS 16 amendment on rent relief was not applied.

Standards and interpretations adopted by the IASB but not applicable at December 31, 2020

The Group has not opted for early adoption of any of the new standards and interpretations stated below that could potentially apply to it and application of which was not mandatory at January 1, 2020:

- Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current;
- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous contracts — Cost of Fulfilling a Contract;
- Amendments to IAS 16 – Property, Plant, and Equipment – Proceeds before Intended Use;
- Amendments to IFRS 3 – Business Combinations – References to the Conceptual Framework;
- Annual improvements to IFRS, 2018-2020 Cycle

European electronic reporting format

A European electronic reporting format will apply in France from the implementation date of the Delegated Regulation (EU) no. 2019/815 to all issuers with securities (equities and bonds) admitted to trading on a European regulated market and obliged to prepare an annual financial report.

Regulation (EU) no. 2017/1129 dated June 14, 2017, (Prospectus Regulation) and its delegated regulations apply to financial years beginning on or after January 1, 2020, or, optionally, to financial years beginning on or after January 1, 2021.

The Group has decided to apply these provisions to the financial year beginning on January 1, 2020. The Group is required to publish its Universal Registration Document in the xHTML European Single Electronic Format. The Group's consolidated financial statements include XBRL tags using Inline XBRL technology. The Group has deployed a Management disclosure tool that can convert documents into xHTML format and add the relevant mark-up to the consolidated financial statements..

1.2 Critical accounting estimates and judgments

In order to prepare the financial statements. the management of the Group or the subsidiaries must make estimates and use certain assumptions that impact the value of the assets and liabilities. the valuation of positive and negative contingencies on the closing date. as well as income and expenses for the financial year.

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

It is possible that the future results of the operations involved will differ from these estimates.

The assumptions and estimates primarily concern:

- The valuation of retirement benefit commitments (assumptions described in note 7.9 and 10.2);
- Recognition of deferred tax assets (note 15.1);
- Capitalization of R&D and cost of software developed internally (note 7.4 and 10.2);
- Impairment tests on goodwill (note 10.1);
- Measuring lease restatements under IFRS 16 (note 14);
- If applicable. the methods for classifying activities held for sale (in accordance with IFRS 5).

Note 2 | Alternative performance indicators

To monitor and analyze the financial performance of the Group and its activities. Group management uses alternative performance indicators. These financial indicators are not defined by IFRS norms. This note presents a reconciliation of these indicators and the aggregates from the consolidated financial statements under IFRS.

Reported and like-for-like revenue Definition

The Group's reported revenue corresponds to its actual revenue. The Group also uses like-for-like data. Adjustments consist of:

- neutralizing the portion of revenue corresponding to entities divested in 2019;
- neutralizing the portion of revenue corresponding to entities acquired in the second half of the year 2019 and the first half of 2020;
- recalculating 2019 revenue at 2020 exchange rates.

These adjustments give rise to comparable data at constant scope and exchange rates. which serve to measure organic growth.

Reported and like-for-like revenue Reconciliation table

In thousands of euros		Software & services	Flow	Datas & marketing	BPO	Corporate and others	Group
2019 Revenue	**a**	**286,652**	**80,618**	**85,767**	**47,079**	**3,430**	**503,745**
Impact of disposals		(7,436)	-	-	-	-	(7,436)
2019 revenue before impact of disposals		279,416	80,618	85,767	47,079	3,430	496,309
Currency impact		**(760)**	**(15)**	**(50)**	**-**	**-**	**(825)**
2019 revenue at 2020 exchange rate	b	278,655	80,602	85,717	47,079	3,430	495,483
2020 revenue before impact of acquisitions	c	276,577	77,732	87,795	48,938	3,645	494,687
Revenue from acquisitions		588	1,664	-	-	-	2,252
2020 Revenue		**277,166**	**79,396**	**87,795**	**48,938**	**3,645**	**496,939**
Like-for-like growth	**[c-b]/a**	**(0.7)%**	**(3.6)%**	**2.4%**	**3.9%**	**6.3%**	**(0.2)%**

Recurring operating income (REBIT) Definition

The Group's operating income includes all revenues and expenses directly related to Group activities. whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

"Other non-recurring operating income and expenses" consists of unusual items. notably as concerns their nature or frequency. that could distort the assessment of Group entities' financial performance. Other non-recurring operating income and expenses may include impairment of tangible assets. goodwill. and other intangible assets. gains or losses on disposals of non-current assets. restructuring costs. and costs relating to workforce adaptation measures.

Consequently. Cegedim monitors its operating performance using "Recurring operating income"(REBIT). defined as the difference between total operating income and other non-recurring operating income and expenses.

Recurring operating income (REBIT) is an intermediate line item intended to facilitate understanding of the Group's operating performance and as a way to estimate recurring performance. This indicator is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

EBITDA Definition

The Group uses EBITDA to monitor its operating performance. This financial indicator corresponds to recurring operating income plus depreciation and amortization expenses.

Recurring operating income (REBIT) and EBITDA Reconciliation table n

In thousands of euros		12/31/2020	12/31/2019
Operating income	**a**	**21,543**	**16,092**
Other non-recurring operating income and expenses	b	19,915	18,504
Amortization of goodwill	**c**	**-**	**2,500**
Other non-recurring operating income and expenses	d=b+c	19,915	21,004
Recurring operating income	**e=a-d**	**41,457**	**37,096**
Depreciation and amortization expenses	f	62,458	64,152
EBITDA	**j=e-f**	**103,915**	**101,248**

Free cash flow from operations Definition

The Group also uses an intermediate line item. Free cash flow from operations. to monitor its financial performance. This financial indicator measures net operating cash flow less net operating investments (defined as acquisitions and disposals of tangible and intangible assets).

Free cash flow from operations Reconciliation table

In thousands of euros		12/31/2020	12/31/2019
Cash flow generated from operating activities after tax paid and change in working capital requirements	**a**	**110,381**	**29,260**
Acquisition of intangible assets	b	(54,607)	(50,665)
Acquisition of tangible assets	c	(19,920)	(11,704)
Disposal of tangible and intangible assets	d	11,024	8,321
Free cash flow from operations	**e= a+b+c+d**	**46,877**	**(24,788)**

Net financial debt Definition

Net financial debt comprises gross borrowings. including accrued interest and debt restatement at amortized cost less cash and cash equivalents.

Net financial debt Reconciliation table

In thousands of euros		12/31/2020	12/31/2019
Long-term financial liabilities	a	248,609	248,107
Short-term financial liabilities	b	17,850	27,468
Total financial liabilities	**c=a+b**	**266,459**	**275,575**
Cash and cash equivalents	d	24,734	29,059
Net financial debt	**e=c-d**	**241,725**	**246,516**
Non-current IFRS 16 debt	f	62,331	52,413
Current IFRS 16 debt	g	15,244	13,507
Net financial debt excluding IFRS 16 debt	**h=e-f-g**	**164,150**	**180,596**

Note 3 | Period Highlights

Apart from the items cited below. to the best of the company's knowledge. there were no events or changes during FY 2020 that would materially alter the Group's financial situation.

Tax	On February 21. 2018. Cegedim SA received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1. 2015. to December 31. 2016. After consultation with its lawyers and based on ample precedent. the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision. The maximum tax liability Cegedim faces as a result of the current audit is €13.7 million at December 31. 2020. Cegedim still believes that there is not enough risk with respect to this amount or to tax loss carryforwards recorded on its consolidated balance sheet (corresponding to €20 million) to jeopardize their valuation.
Acquisition of a minority stake in Clamae	Cegedim has acquired a minority stake of 34% in the Clamae Group via a €6 million reserved capital increase. Clamae has a subsidiary that specializes in innovative payment systems made possible under the EU's PSD2 framework. The technologies Clamae has developed will be put to good use in nearly all of Cegedim Group's products and services (health insurance products. data management and digitization. and apps for healthcare professionals).

Note 4 | Impact of the Covid-19 pandemic

1. Overview

From the onset of the Covid-19 crisis. Cegedim's senior management focused on ensuring personal safety and business continuity.

We switched to teleworking in all the countries where we operate as soon as lockdowns were implemented in Q1 2020—the remote work system was fully operational in under a week. We were able to ensure that all our activities continued to run smoothly and avoid any service disruptions. However. some businesses suffered a decline in volumes. we had to cancel or postponed onsite visits. and in general business was curbed by the lockdown. During this period. we encouraged our employees to take paid leave. and the use of partial unemployment only affected a limited number of teams—no employees. subject to exceptions. were subject to partial unemployment beyond June. As soon as lockdowns were lifted in Spring 2020. business picked up for our onsite assistance teams. and we organized the gradual return of employees to the workplace in compliance with local health and safety recommendations.

A diverse array of restrictions and local lockdowns were introduced during the second wave of the pandemic in fall 2020 across the different countries in which the Group operates (France, UK, Spain, Romania, Belgium, Morocco, etc.). Even so, the Group maintained its business activities without any real disruption by taking measures that had already proved effective in the first half of the year. As a result, performance in the final quarter of 2020 was in line with expected trends and the healthy resilience of business activities during the first six months was again evident, as the economic slowdown was far less pronounced than in the first lockdown.

Throughout the crisis. members of senior management stayed in regular contact with each other and with the central support departments (human resources. internal audit. communication. and finance). The division managers. senior managers and central support departments held weekly video conferences to keep the business running as smoothly as possible and prepare for a return to work under the best conditions. These weekly conferences notably served to reallocate resources on an ad hoc basis from activities hit hard by the crisis to others boosted by it.These meetings continued throughout the year, either monthly, every two weeks, or weekly, depending on the situation.

TThe finance department provided information whenever asked to do so by the Statutory Auditor.

2. Business continuity

The Covid-19 crisis did not. at any time. jeopardize business continuity.

The Group saw no need to relocate any of its activities.

In each of our countries. we have local business continuity plans and can perform ordinary operations remotely via telework.

Furthermore. thanks to the benefits of synergies with our subsidiaries in Romania. Morocco. Spain and Egypt—which are already felt under normal circumstances—the Group’s entities were able to ensure business continuity with extended hours. and manage work overloads and back-ups for some sites and teams. notably R&D and BPO.

We also have a regularly beefed-up business continuity plan for our IT services and centralized datacenters. to which our subsidiaries are linked. and which proved its full worth and efficacy during this crisis.

3. Observed impacts on business operations

Health insurance. HR and e-services division

Our health data processing (GERS in France) and e-promotion (Medexact) activities enjoyed a boom during 2020. as these services are in particular demand in the context of the pandemic.

C-Media (digital displays in pharmacies) suspended its activities for one month during the first lockdown but was able to resume business as soon as the lockdown was lifted and enjoyed a return to pre-crisis business levels in JuneBusiness was robust in the second half but did not completely make up the initial shortfall. The lockdown in the fourth quarter, on the other hand, did not affect business levels.

Since the Health Insurance. HR and e-services activities have a long. complex project phase. or require substantial change management at the client’s site. they were the ones hardest hit by the economic impacts of the pandemic. particularly in the first half of the year. Most structured projects scheduled in 2020 were postponed and it proved very difficult to acquire new business during this period. as it was impossible to visit clients. On the other hand. we observed an increase in ad hoc services concerning partial unemployment measures for Cegedim SRH’s clients. After the Spring’s lockdown was lifted. there was a sharp increase in e-business and HR projects. Health insurance activities. however. have picked up more slowly. In addition, the payment flow activities linked to health services (reimbursement of medical consultations, drugs or treatment) did not quite regain their pre-pandemic heights.

All in all, like-for-like revenue growth was more or less stable in 2020 (down 0.2%).

Healthcare professionals division

We are aware of the key role our solutions play in helping frontline health workers combat the Covid-19 pandemic and continued to provide exactly the same standard of service throughout the crisis in all the countries we operate in. Recurring Healthcare professionals division activities were not affected by the crisis.

What is more. the Group notched up several key achievements during this period. For example. Cegedim Logiciels Médicaux successfully fitted out four Covid-19 emergency units in record time at the height of the crisis. The lockdown also coincided with the launch of Maiia. the new telemedicine and appointment booking platform created from the merger of Docavenue and RDVmédicaux. In a show of solidarity with health professionals. the platform was offered free of charge during the launch period. Therefore. It was only in H2 that the effects could be measured on revenue.

Like the Group's other software activities. this sector suffered a sharp slump in sales in H1—placing orders was clearly not a priority for clients during this period. The pharmacy software business in France was hit particularly hard and had to postpone the release of new features for its pharmacy point-of-sale solution. Although the doctor software activity in the UK performed very well in 2020. driven by one-off sales. the launch of its new offerings for the UK market was again postponed by health authorities.

4. Accounting for impacts in the financial statements

The Group has not changed its alternative performance indicators because of the Covid-19 crisis and has not modified the way it presents its financial statements.

The Income statement clearly indicates several “non-current” impacts which are reported using the same methods applied in previous accounting periods. with no intention to pinpoint or exhaustively detail the specific effects of the Covid-19 crisis.

The broad impact of the crisis on the Group’s performance is visible on every line of its income statement and is therefore reflected in its operating earnings. The impacts are reflected in the following main line items:

- The slowdown in business operations mostly in H1 is reflected in the revenue figure.
- We managed to contain the increase in payroll costs by postponing most of the new hires initially scheduled for H1. We also encouraged as many employees as possible to take their holidays during the lockdown period. which reduced punctually provisions for paid leave. We used partial unemployment schemes when necessary and were therefore able to benefit from the associated governmental support.

- The decline in other operating expenses primarily concerned two items: travel. onsite assignment and office reception expenses. and outsourcing. We cancelled or postponed some marketing campaigns. We were also particularly careful to avoid nonessential overhead costs.

However. it is worth noting that product development plans went ahead as scheduled.

5. Financial risks

Cegedim Group's exposure to credit and liquidity risks is low.

The Group renegotiated its debt structure in 2018:

- There is no debt maturity before October 2024;
- The Group had an undrawn RCF of €65 million at December 31. 2020;
- It also had an unused overdraft facility of €24 million at December 31. 2020.

The Group is in compliance with its covenants. and senior management considers a covenant breach unlikely in the coming months.

Currency risk is low since each country runs operations using local resources and expresses costs in local currency.

6. Estimates and judgements

Given these highly exceptional conditions. we have decided to update our estimates whenever necessary..

The crisis notably affected the estimates we use to determine the recoverable value of intangible assets and acquisition goodwill.

7. Impairment testing of non-financial asset

Group tests assets for impairment annually or when there is an indication of impairment.

During the first half of 2020, the Group took the view that the consequences of the Covid-19 crisis represent an indication of a loss in value and conducted impairment tests that led to impairment of €4.6 million being recognized on individual assets.

At December 31, 2020, the Group carried out the annual update of these tests and again recognized a €10.4 million impairment loss on individual assets.

The impairment tests on the sector CGUs did not reveal the need for any impairment.

The business plans have been updated based on a single scenario in the light of the impressive resilience of the Group's activities and its ability to bounce back once the situation eased. This scenario reflects the best estimates of the operational management teams, provided during the budgeting phase, as is the case every year, without the need for preparing complex probability-weighted scenarios.

More details about these tests are provided in Note 10.

Note 5 | Consolidation scope

5.1 List of consolidated companies as of 12/31/2020

French fully consolidated companies

These entities are consolidated on the basis of their individual financial statements (no grouping of entities.

Company	Corporate offcies	City	Legal form	Siren #	% of control	% intérêt
Cegedim	137. rue d'Aguesseau	Boulogne	SA	350422622	100.00 %	100.00 %
Alliance Software	3. impasse des Chênes	Niort	SAS	407702208	100.00 %	100.00 %
Alliadis	3. impasse des Chênes	Niort	SAS	342280609	100.00 %	100.00 %
Audiprint	15. rue Paul Dautier	Vélizy	SAS	811166008	100.00 %	100.00 %
BSV	137. rue d'Aguesseau	Boulogne	SARL	397552829	100.00 %	100.00 %
Cegedim Activ	114-116. rue d'Aguesseau	Boulogne	SASU	400891586	100.00 %	100.00 %
Cegedim Assurances Conseil	137. rue d'Aguesseau	Boulogne	SASU	849779210	100.00 %	100.00 %
Cegedim Ingénierie	326. rue du Gros Moulin –AMILLY	Montargis	SAS	402338719	100.00 %	100.00 %
Cegedim Cloud	137. rue d'Aguesseau	Boulogne	SASU	790173066	100.00 %	100.00 %
Cegedim Holding Santé	137. rue d'Aguesseau	Boulogne	SARL	348940255	100.00 %	100.00 %
Cegedim Logiciels Médicaux	110-112. rue d'Aguesseau	Boulogne	SAS	353754088	100.00 %	100.00 %
Cegedim Media	17. rue de l'Ancienne Mairie	Boulogne	SARL	602006306	100.00 %	100.00 %
Cegedim Outsourcing	15. rue Paul Dautier	Vélizy	SAS	303529184	100.00 %	100.00 %
Cegedim SRH	137. rue d'Aguesseau	Boulogne	SAS	332665371	100.00 %	100.00 %
Cegedim SRH Montargis	326. rue du Gros Moulin –AMILLY	Montargis	SARL	752466805	100.00 %	100.00 %
Cetip	114. rue d'Aguesseau	Boulogne	SA	410489165	99.88 %	99.88 %
Cosytec	4 rue Jean Rostand	Orsay	SA	379281934	100.00 %	100.00 %
Docavenue	137. rue d'Aguesseau	Boulogne	SASU	841447295	100.00 %	100.00 %
Futuramedia	17. rue de l'Ancienne Mairie	Boulogne	SAS	494625130	100.00 %	100.00 %
GERS	137. rue d'Aguesseau	Boulogne	SASU	521625582	100.00 %	100.00 %
I-Assurances	137. rue d'Aguesseau	Boulogne	SASU	790172225	100.00 %	100.00 %
Incams	114-116. rue d'Aguesseau	Boulogne	SASU	429216351	100.00 %	100.00 %
MedExact	137. rue d'Aguesseau	Boulogne	SAS	432451912	100.00 %	100.00 %
Pharmastock	137. rue d'Aguesseau	Boulogne	SARL	403286446	100.00 %	100.00 %
Resip	17. rue de l'Ancienne Mairie	Boulogne	SARL	332087964	100.00 %	100.00 %
RM Ingénierie	137. rue d'Aguesseau	Boulogne	SAS	327755393	100.00 %	100.00 %
Rue de la Paye	137. rue d'Aguesseau	Boulogne	SAS	431373075	100.00 %	100.00 %
Santestat	137. rue d'Aguesseau	Boulogne	SARL	790172175	100.00 %	100.00 %
SCI Montargis 2000	573. avenue d'Antibes	Montargis	SCI	324215128	68.83 %	68.83 %
Services Premium Santé (sps)	100. rue des Fougères	Lyon	SAS	513188771	40.00 %	40.00 %
Smart RX	137. rue d'Aguesseau	Boulogne	SAS	789997871	100.00 %	100.00 %

5.1 List of consolidated companies as of 12/31/2020

International fully consolidated companies

These entities are consolidated on the basis of their individual financial statements (no grouping of entities).

Companies	Corporate offices	Country	City	Legal form	% of control	% iowned
Activus Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Adaptive Apps	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Alliadis Europe Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Bluebay Medical Systems Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Cegedim Belgium	Route de Lennik.	Belgium	Anderlecht	SA	99.97 %	99.97 %
Cegedim Customer Information SRL	20 Modrogan St.. Floor 3	Romania	Bucarest	LLC SRL	100.00 %	100.00 %
Cegedim Data Services Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Cegedim Egypte	44. Sector 1 City Center. North 90th Street. 5th settlement	Egypt	Le Caire	LLC	100.00 %	100.00 %
Cegedim Europe Holdings Ltd	3/4 Pembroke Street Upper	Irland	Dublin	LLC	100.00 %	100.00 %
Cegedim GMBH	Carl-Reuther Str. 1	Germany	Mannheim	LLC	100.00 %	100.00 %
Cegedim Internal Services Ltd	3/4 Pembroke Street Upper	Irland	Dublin	PLC	100.00 %	100.00 %
Cegedim Italia	Attualmente alla Piazza Vetra n. 17.	Italy	Milan	LLC	100.00 %	100.00 %
Cegedim Holdings Ireland Ltd	3/4 Pembroke Street Upper	Irland	Dublin	PLC	100.00 %	100.00 %
Cegedim Maroc	Arribat Center. Avenue Omar Ibn Al Khattab Immeuble D et E. 2ième étage	Morocco	Rabat	SARL	100.00 %	100.00 %
Cegedim Outsourcing Maroc	36 avenue Abdelmoumen – Hassan	Morocco	Rabat	SARL	100.00 %	100.00 %
Cegedim RX Limited	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Cegedim RX SRL	20 Modrogan St.. Floor 2	Romania	Bucarest	LLC - SRL	100.00 %	100.00 %
Cegedim Service Center SRL	20 Modrogan St.. Floor 2. Room N°15	Romania	Bucarest	LLC	100.00 %	100.00 %
Cegedim SRH Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Cegedim SRH SA	9 route des jeunes	Switzerland	Genève	SA	100.00 %	100.00 %

Companies	Corporate offices	Country	City	Legal form	% of control	% iowned
Switzerland						
Cegedim World Internal Services Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
CHS UK Limited	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Compufile Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Croissance 2006	15. Avenue Albert	Belgium	Bruxelles	SA	100.00 %	100.00 %
Efficience Technologie SRL	Secteur 2. 42 Route Pipera. Floor 4 Room 1	Romania	Bucarest	LLC - SRL	100.00 %	100.00 %
Health Data Management Partners	Route de Lennik. 451. 1070 Anderlecht	Belgium	Anderlecht	SA	100.00 %	100.00 %
In Practice Systems Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
INPS Enterprise Solutions Ltd	Grianan House. Gemini Crescent Technology Park	UK	Dundee	PLC	100.00 %	100.00 %
NetEDI	Unit 9. Kings Court. King Street	UK	Leyland	PLC	100.00 %	100.00 %
OEPO	Route de Lennik. 451-	Belgique Belgium	Anderlecht	SA	100.00 %	99.97 %
Pulse System Inc	301 North Cypress. Wichita - Kansas	USA	Wichita	LLC	100.00 %	100.00 %
Stacks Consulting e Ingeniera en Software SL	Travessera de Gracia 47- 49	Spain	Barcelone	SOC	100.00 %	100.00 %
Stacks Servicios Technologicos SL	Travessera de Gracia 47- 49	Spain	Barcelone	SOC	100.00 %	100.00 %
Stacks Servicios Technologicos SL Chile Ltda	Avenida Nueva Providencia 2353.Planta 1602	Chili	Providencia	LLC	100.00 %	100.00 %
Thin GMBH	Carl-Reuther Str. 1. 68305 Mannheim	Germany	Mannheim	LLC	100.00 %	100.00 %
Thin Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
Thin S.R.L	Piazza Belgioioso n. 2	Italy	Milan	LLC	100.00 %	100.00 %
Webstar Health Ltd	The Bread Factory 1a Broughton Street	UK	London	PLC	100.00 %	100.00 %
XimantiX Software GMBH	Landsberger Str. 478. 81241 Munchen	Germany	Munich	LLC	100.00 %	100.00 %

LLC : Limited liability Company | PLC : Private Limited Company | SOC : Single-Owner Company.

5.1 List of consolidated companies as of 12/31/2020

French companies conslidated using the equity method

Company	Corporate offices	City	Legak form	Siren #	% of control	% owned
Clamae Group	25 rue Louis Legrand	Paris	SAS	830138376	34.09 %	34.09 %
Edipharm	137. rue d'Aguesseau	Boulogne	GIE	381819309	20.00 %	20.00 %
Infodisk	Immeuble CPL – Californie 2	Le Lamentin	SAS	490029774	34.00 %	34.00 %
Isiakle	4 rue Georges Picquart	Paris	GIE	823272588	50.00 %	50.00 %
Pharmazon	101 rue de la gare	Orléans	SCA	812610061	28.57 %	28.57 %

International companies consolidated using the equity method

Company	Corporate offices	City	Legal form	% of control	% owned
Healthcare Gateway	UK	Leeds	PLC	50.00 %	50.0 %
Millennium	Italy	Florence	PLC	49.22 %	49.22 %

5.2 Changes in consolidation scope

Companies entering the consolided scope

Company	% owned at the end of the FY	% owned during the FY	% owned during hte previous FY	Conslidation method during hte FY	Conslidateion method during the previous FY	Comments
Audiprint	100.00 %	100.00 %	-	FC	-	Acquisition
Clamaë Group (Clamaë. Score &Secure Payment. Arabor. Viamobis)	34.09 %	34.09 %	-	EM	-	Acquisition
Cegedim Italia	100.00 %	100.00 %	-	FC	-	Creation

Creation of companies : In 2020. ICegedim Group created Cegedim Italia.

Equity investment : In 2020. Cegedim Group acquisred 34.09% shareholding in Groupe CLAMAE, innovative payment systems, and 100% in AudiPrint. (specialized in the management and optimization of printing parks).

Companies leaving the consolidated scope

Company	% owned at the end of the FY	% owned during the FY	% owned during the previous FY	Consolidation method during the FY	Comments
			None		

5.3 Impact of changes in consolidation scope

On the balance sheet at the closing date

In thousands of euros	Consolidated before change at 12/31/2020	2020 change	Consolidated after change at 12/31/2020
Goodwill	185,928	108	186,036
Other non-current assets (excluding goodwill)	343,051	5,775	348,826
Current assets	370,354	139	370,493
Total balance sheet	**899,333**	**6,022**	**905,355**

The figures used do not refer to values upon first-time consolidation, but to the values approved at December 31, 2020.

The impacts of companies consolidated for the first time at the date of acquisition are:

- On the assets side: €12,913 million;
- On the liabilities side: €9,184 million.

The €108, 000 in goodwill attributable to these changes in the scope of consolidation is a provisional amount: all or some may be allocated to identifiable assets and liabilities within 12 months of the acquisition dates of the relevant businesses.

On the income statement at the closing date

In thousands of euros	Consolidated before change at 12/31/2020	2020 change	C Consolidated after change at 12/31/2020
Revenue	496,913	27	496,939
Operating income	21,866	-323	21,543
Consolidated profit (loss)	**11,226**	**-311**	**10,916**

The above figures refer to the creation and acquisition of companies from the date of their first-time consolidation within the Group. Therefore, they are not representative of the full-year impact.

On the cash flow statement at the closing date

In thousands of euros	Consolidated before change at 12/31/2020	2020 change	Consolidated after change at 12/31/2020
Impact of changes in consolidation scope	(4,250)	75	(4,325)
Change in cash	**(4,250)**	**75**	**(4,325)**

Financing of acquisitions

In 2020 the Group internally financed acquisitions of companies for a total amount of €6,094,000.

Note 6 | Segment reporting

6.1 Segment reporting, 2020

Cegedim Group's business is structured around two operational divisions.

The Health insurance, HR and e-services division serves large corporate clients. The division:

- handles all products and services marketed to insurance companies, mutual insurers, personal protection insurers, and insurance brokers, and it covers the entire chain of interactions between these entities and healthcare professionals;
- it also targets companies in any business sector interested in solutions for hosting, outsourcing (HR and payroll management, for example), or electronic data exchanges (Cegedim e-business).

The Healthcare professionals division serves doctors, allied health professionals, pharmacists, and healthcare facilities. The division sells management software, databases, and solutions that help healthcare professionals perform everyday tasks.

The Corporate and others division is the third division and supports the operating divisions.

Income statement items at December 31, 2020

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 12/31/2020	Total France	Total rest of the world
Segment revenue							
A	Non-Group revenue	341,821	151,473	3,645	496,939	429,206	67,733
B	Intra-Group revenue	14,871	16,967	52,649	84,488	80,226	4,262
A+B	**evenue**	**356,692**	**168,441**	**56,294**	**581,427**	**509,432**	**71,995**
Segment profit							
C	**Recurring operating income[1]**	**32,494**	**12,564**	**(3,601)**	**41,457**		
D	**EBITDA**	**67,486**	**28,970**	**7,459**	**103,915**		
C/A	Recurring operating margin[1]	9.5%	8.3%	(98.8)%	8.3%		
D/A	EBITDA[1] margin	19.7%	19.1%	204.6%	20.9%		

Geographical breakdown of consolidated revenue at December 31, 2020

In thousands of euros	France	Euro zone excluding France	Pound sterling zone	Rest of the world	12/31/2020
Geographical breakdown	429,206	10,338	49,481	7,913	496,939
%	86.4%	2.1%	10.0%	1.6%	100.0%

Balance sheet items at December 31, 2020

In thousands of euros	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 12/31/2020	Total France	Total Rest of the world
Segment assets						
Goodwill *(Note 10.1)*	94,048	91,988	-	186,036	114,144	71,892
Intangible fixed assets	84,641	69,987	8,389	163,017	114,845	48,172
Property and equipment	50,874	17,927	41,505	110,305	97,735	12,571
Investments in affiliates (Note 9.2)	5,845	15,634	-	21,479	9,924	11,555
Net total	**235,407**	**195,536**	**49,894**	**480,837**	**336,648**	**144,189**
Investments during the year (gross values)						
Goodwill *(Note 10.1)*	108	-	-	108	108	-
Intangible fixed assets	26,864	24,804	2,939	54,607	41,466	13,141
Property and equipment	24,106	5,171	18,581	47,858	41,568	6,290
Investments in affiliates *(Note 9.2)*	1,247	-	-	1,247	1,247	-
Gross total	**52,325**	**29,975**	**21,520**	**103,820**	**84,389**	**19,431**
Segment liabilities(1)						
Non-current liabilities						
Provisions for retirement	23,737	9,842	1,702	35,281	35,281	-
Other provisions	986	1,589	-	2,575	2,239	336
Other liabilities	-	-	-	-	-	-
Current liabilities						
Trade payables and related accounts	24,080	13,037	6,097	43,214	32,243	10,971
Tax and social liabilities	79,921	24,587	4,210	108,718	100,647	8,072
Provisions	1,713	1,330	2	3,045	3,045	-
Other liabilities	204,251	26,047	197	230,495	221,107	9,388

(1) L By default, Cegedim SA's contribution to liabilities is still allocated to the Health insurance, HR & e-services segment, with no segment breakdown.

Breakdown by type of activity of income statement items at December 31, 2020

Cegedim Group's business is structured around five divisions:

Software & Services division: comprises all of the Group's software offerings in all formats (licenses, SaaS, internet services) as well as hosting (HDS certified for health data) and IT facilities management. Cegedim markets these offerings to health and personal protection insurers (France and the UK); allied health professionals—physical therapists, nurses, speech therapists, podiatrists, midwives, etc. (France); HR departments (France); independent pharmacies as well as chains and consortiums of pharmacies (France, Romania, and the UK); and doctors and medical centers (France, the UK, Belgium, Spain, and Italy).

Flow division: comprises third-party payment management (France), invoice and process digitization, probative value storage, and EDI (France, the UK, and Germany). This business has service centers in France, Romania, and Morocco.

Data & Marketing division: comprises

- data for health authorities, healthcare professionals, researchers, the healthcare industry and its partners in France, Italy, Germany, Spain, Romania, and the UK;
- print and digital advertising in pharmacies and health & wellness shops in France;
- digital marketing to doctors;
- -healthcare product distribution.

BPO division: comprises business process outsourcing activities in France for supplemental health insurers **(**managing reimbursement, among other things); personal protection insurers, and HR departments. This division has service centers in France and Romania.

Corporate and others division: offer supports to the operating divisions listed above.

In thousands of euros		Software & services	Flow	Data & marketing	BPO	Corporate and Others	Group
Revenue	*a*	**277,166**	**79,396**	**87,795**	**48,938,**	**3,645**	**496,939**
EBITDA	*b*	**58,471**	**17,556**	**17,307**	**3,122**	**7,459**	**103,915**
EBITDA margin	*b/c*	*21.1%*	*22.1%*	*19.7%*	*6.4%*	*204.6%*	*20.9%*
Depreciation expenses of R&D	*e*	(23,118)	(4,334)	(818)	(1,588)	(732)	30,591
Depreciation expenses of right-of-use assets	*f*	(7,181)	(1,208)	(1,031)	(1,165)	(5,356)	(15,939)
Others Depreciation expenses	*g*	(4,672)	(1,655)	(4,037)	(591)	(4,972)	(15,929)
Depreciation expenses	*h=e+f+g*	**(34,971)**	**(7,197)**	**(5,886)**	**(3,344)**	**(11,060)**	**(62,458)**
Recuring operating income	*i=b-h*	**23,500**	**10,359**	**11,421**	**(222)**	**(3,601)**	**41,457**
Recuring operating income margin	*i/a*	8.5%	*13.0%*	*13.0%*	*(0.5)%*	*(98.8)%*	*8.3%*
Depreciation of goodwill	*j*	-	-	-	-	-	-
on-recurring income and expenses	*k*	(17,085)	(493)	(110)	(49)	(2,178)	(19,915)
Other non-recurring operating income and expenses	*l=j+k*	**(17,085)**	**(493)**	**(110)**	**49**	**(2,178)**	**(19,915)**
Operating income	*m=i-l*	**6,415**	**9,866**	**11,311**	**(271)**	**(5,779)**	**21,452**
Operating income margin	*m/a*	2.3%	*12.4%*	*12.9%*	(0.6)%,	*(158.5)%*	*4.3%*

6.2 Segment reporting, 2019

Income statement items at December 2019

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 12/31/2019	Total France	Total rest of the world
Produits sectoriels							
A	Non-Group revenue	340,527	159,788	3,430	503,745	428,987	74,758
B	Intra-Group revenue	11,628	16,193	47,439	75,259	72,244	3,015
A+B	**Revenue**	**352,155**	**175,981**	**50,869**	**579,004**	**501,231**	**77,774**
Résultat sectoriel							
C	**Recurring operating income**	**34,540**	**5,265**	**(2,708)**	**37,097**		
D	**EBITDA**	**66,640**	**27,048**	**7,561**	**101,248**		
C/A	Recuring opertaing income	10.1%	3.3%	(79.0)%	7.4%		
D/A	EBITDA margin	19.6%	16.9%	220.5%	20.1%		
Depreciation and amortization		32,099	21,783	10,270	64,152		

Geographical breakdonw of consolidated revenue at December 31, 2019

In thousands of euros	France	Euro zone excluding France	Pound sterling zone	Rest of the world	12/31/2019
Geographical breakdown	428,987	10,220	49,583	14,956	503,745
%	85.2 %	2.0 %	9.8 %	3.0 %	100.0 %

Balance sheet items at December 31, 2019

In thousands of euros	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 12/31/2019	Total France	Total rest of the world
Segment assets						
Goodwill *(Note 10.1)*	99,193	93,546	-	192,740	115,157	77,583
Intangible fixed assets	77,050	73,248	7,242	157,540	100,730	56,810
Property and equipment	49,247	18,743	31,174	99,164	87,504	11,660
Investments in affiliates (Note 9.2)	119	14,961	-	15,080	4,136	10,944
Net total	**225,609**	**200,499**	**38,416**	**464,524**	**307,527**	**156,998**
Investments during the year (gross values)						
Goodwill (Note 10.1)	22,151	1,656	-	23,806	4,033	19,773
Intangible fixed assets	24,424	23,214	2,044	49,683	34,872	14,811
Property and equipment	11,303	6,048	11,163	28,514	24,146	4,368
Investments in affiliates (Note 9.2)	-	688	-	688	688	-
Gross total	**57,878**	**31,606**	**13,208**	**102,691**	**63,740**	**38,952**
Segment liabilities [(1)]						
Non-current liabilities						
Provisions for retirement	21,730	9,061	1,459	32,250	32,250	-
Other provisions	370	1,485	-	1,855	1,585	270
Other liabilities	-	-	-	-	-	-
Current liabilities						
Trade payables and related accounts	29,893	16,593	4,159	50,644	39,684	10,960
Tax and social liabilities	67,149	20,963	3,480	91,593	85,057	6,536
Provisions	1,459	4,052	2	5,513	2,895	2,618
Other liabilities	116,271	24,271	757	141,299	132,452	8,847

(1) L By default, Cegedim SA's contribution to liabilities is still allocated to the Health insurance, HR & e-services segment, with no segment breakdown

Breakdown by type of activity of income statement items at December 31, 2019

In thousands of euros		Software & Services	Flow	Data & marketing	BPO	Corporate and otherss	Group
Revenue							
EBITDA							
EBITDA margin	b/c	20.3%	23.3%	18.9%	1.2%	220.5%	20.1%
Depreciation expenses of R&D	*e*	(24,690)	(5,024)	(587)	(1,572)	(623)	(32,495)
Depreciation expenses of right-of-use assets	*f*	(7,918)	(1,172)	(1,133)	(977)	(4,553)	(15,753)
Others Depreciation expenses	*g*	(6,158)	(221)	(3,759)	-671	(5,094)	(15,904)
Depreciation expenses	*h=e+f+g*	**(38,766)**	**(6,417)**	**(5,480)**	**-3,220**	**(10,270)**	**(64,152)**
Recuring operating income	*i=b-h*	**19,409**	**12,329**	**10,715**	**-2,650**	**(2,709)**	**37,096**
Recuring operating income margin	i/a	6.8%	15.3%	12.5%	-5.6%	(79.0)%	7.4%
Depreciation of goodwill	*j*	-	-	-	-	-	-
on-recurring income and expenses	*k*	(20,577)	(457)	(454)	-115	599	(21,004)
Other non-recurring operating income and expenses	*l=j+k*	**(20,577)**	**(457)**	**(454)**	**-115**	**599**	**(21,004)**
Operating income	*m=i-l*	**(1,168)**	**(11,872)**	**10,262**	**-2,765**	**(2,110)**	**16,092**
Operating income margin	m/a	(0.4)%	14.7%	12.0%	-5.9%	(61.5)%	3.2%

Note 7 | Operating data

7.1 Revenue

Cegedim Group's revenues consist primarily of:

- sales of services delivered using software developed and hosted by the Group or based on the databases built and still owned by the Group,
- sales of software under ad hoc licenses,
- and, to a lesser extent, hardware sales.

Revenue breakdown by sectors, by customers categories

Revenues are analyzed into two main client categories and one subsidiary category.

- Services for businesses operating in the **healthcare insurance, human resources and e-services** sector (69% of consolidated revenues in 2020). These are large corporate accounts, such as insurers, mutuals, personal protection insurers, and other industry partners (pharmaceutical companies, public utilities in the distribution and services sectors, etc.), requiring solutions to the human resources management and data interchange needs.
- Services for **healthcare professionals** (30% of consolidated revenues in 2020.

These services cater directly to the needs of healthcare professionals, including primary care physicians and specialists, and allied health professionals (physical therapists, nurses, podiatrists, etc.) working in private practice or at multidisciplinary health centers and healthcare facilities, as well as pharmacists working either individually or in consortiums.

These may be single-person or mid-sized entities.

Certain ancillary services, which are not material in value terms, are also delivered by entities providing support to the rest of the Group (**Corporate and others**: 1% of consolidated revenues).

The revenue breakdown mirrors our internal reporting used by senior management to manage the operational activities. This breakdown is identical to the one provided in our segment reporting. as required by the IFRS 8 (see note 6) A geographical analysis is also provided based on currencies in which the transactions are denominated.

Breakdown of revenue by Division (mean by activity)

Since 2020, the breakdown of revenue by sector has been supplemented by a breakdown by division representing the main Group activities. This breakdown aims to improve the understanding of our business by highlighting the different activities for which the reader will easily have comparable.

- **Software & Services division:** comprises all of the Group's software offerings in all formats (licenses, SaaS, online) as well as hosting (HDS certified for health data) and IT facilities management. Cegedim targets:
  - health and personal protection insurance (France and the UK),
  - HR departments (France),
  - independent pharmacies, as well as chains and consortiums (France, Romania, and the UK),
  - doctors and health centers (France, the UK, Belgium, Spain, and Italy),
  - allied health professionals: physical therapists, nurses, speech therapists, orthoptists, podiatrists, midwives, etc. (France).
- **Flow division:** comprises third-party health payment management (France), contract to pay and management process digitization (orders, invoices, etc.), probative value storage, and EDI (France, the UK, and Germany). This business has service centers in France, Romania, and Morocco.

- **Data & Marketing division:** comprises
  - data for health authorities, healthcare professionals, researchers, the healthcare industry and its partners in France, Italy, Germany, Spain, Romania, and the UK;
  - ·print and digital advertising in pharmacies and health & wellness shops in France;
  - digital marketing to doctors;
  - healthcare product distribution.
- **BPO division:** comprises business process outsourcing activities in France for supplemental health insurers (managing reimbursement, among other things); personal protection insurers, and HR departments. This division has service centers in France and Romania

It is this breakdown by division that is preferred in press releases and financial presentations. A reconciliation with the business segments within the meaning of IFRS 8 is systematically presented (see Note 6).

Information on services

The services provided in the "**Health insurance, HR and e-services**" segment principally reflect the following performance obligations:

- **consulting and technical engineering services** intended to advise clients and support them through the change management and implementation process that their organizations and technical environments are undergoing; these services generally take place over several weeks or months and represent distinct obligations in their own right.
- **recurring services** linked to the use of data flow or exchange platforms hosted by the Group and made available to clients in SaaS mode or operated for clients on a BPO basis; these services are generally billed on a monthly basis, as and when services are delivered.
- Less commonly, ad hoc services delivered "at a specific point in time" (see examples below).

The services provided in the "**Health professionals**" segment principally reflect the following performance obligations:

- sales of **packaged software** solutions, including maintenance and assistance, giving rise to a **subscription** (smoothed annual billings); this applies generally to all medical professions and pharmacies;
- services providing access to **software in SaaS mode** (monthly billing); this applies to applications hosted by Cegedim, such as the MLM medical practice software and the telemedicine range;
- sales of software in the form of **ad hoc licenses**, firstly, and **annual maintenance and assistance agreements,** secondly (on an ad hoc basis for certain allied health professionals or at pharmacies);
- database **subscriptions** (Claude Bernard database of medicine and healthcare products accessible on healthcare professionals' workstations) and other recurring services (backups, etc.);
- **hardware** sales (workstations, printers, cashguard, etc.);
- installation (per diem charge) or technical engineering services, usually never for more than a few days or weeks, at facilities where several health professionals work.

Information on revenue recognition

In most cases, the Group recognizes revenue on a percentage of completion basis. This applies to:

- technical engineering and consulting projects;
- subscriptions to the Group's databases;
- access to services and software sold in SaaS mode;

- digitized data and flow processing services;
- assistance and maintenance services covering the Group's solutions;
- -business process outsourcing (BPO) activities.

Revenues recognized "**at a specific point in time**" consist of:

- the delivery of ad hoc research, which is recognized upon delivery;
- sales of software under ad hoc licenses, which are recognized upon delivery;
- hardware sales and installations, which are recognized once installation has been completed, generally concurrently with delivery;
- training and other ad hoc interventions, which are recognized upon completion of the service.

No material differences were identified between the approach to revenue recognition used in the parent company financial statements and that required under IFRS 15.

Note also that the Group's activities are not affected by the principal-agent issues that can sometimes have a material impact on the consolidated financial statements.

Information on contract assets and liabilities

Contract assets reflect Cegedim's right to consideration in exchange for services in respect of which control has transferred or is being transferred to the client. They specifically arise where revenue is recognized on a percentage of completion basis without there being an immediate right to bill (when billing takes place at completion or based on contract milestones). These assets are shown under trade receivables.

Contract liabilities reflect Cegedim's obligation to perform services for which the client has already transferred consideration. They include advances and payments on account received, as well as prepaid income, including in respect of assistance and maintenance services billed in advance, for which the service delivery period extends beyond the reporting date. These amounts are shown under other liabilities.

The timing difference between performance and payment arising from contract assets and liabilities is less than 12 months in the majority all cases.

The assets and liabilities of contracts which arose and were settled during the same financial year were not inventoried.

In thousands of euros	Opening balance	Settled	New	Closing balance
Contract assets	21,683	(17,446)	15,246	19,483
Contract liabilities	35,663	(35,534)	36,373	36,502

Key accounting principles and judgments

Revenue is recognized based on an analysis of contracts that entail obligations to the Group's clients, divided into five stages in accordance with IFRS 15:

- Identification of the contract with the customer;
- Identification of the distinct performance obligations;
- Determination of the transaction price;
- Allocation of the overall price amongst the performance obligations;
- Recognition of revenue when each performance obligation is satisfied.

Owing to the nature of the services performed by the Group and the typically explicit language in its contracts, this is basically a fact-based analysis and does not rely on judgments or assessments.

7.2 External expenses

In thousands of euros	12/31/2020	12/31/2019
Purchases of studies & services and consumables	(47,686)	(47,038)
External services (leasing, maintenance, insurance)	(22,875)	(23,445)
Other: advertising, seconded personnel, entertainment expenses, postal expenses, etc.	(29,930)	(44,861)
Total external expenses	**(100,491)**	**(115,344)**

7.3 Other non-recurring operating income and expenses

The breakdown of other non-recurring operating income and expenses is as follows:

In thousands of euros	12/31/2020	12/31/2019
Recurring operating income	**41,457**	**37,096**
Provision for intangible asset obsolescence	(15,977) [1]	(300)
Sale of activity	-	(15,963) [2]
Restructuring costs [3]	(3,553)	(4,118)
Other non-recurring income and expenses [4]	(384)	(623)
Operating income	**21,543**	**16,092**

(1) o/w €15 million of intangible asset impairment in the UK and Belgium covering software development related to prior acquisitions, or aiming to capitalize only software benefiting from the most recent accreditations in relation to the expected commercial outlets and a €1million write-down of receivables at Cegedim SA related to the divestment of CRM activities in 2015

(2) o/w €2.5 million of acquisition goodwill impairment and €12.3 million of intangible asset impairment in the US related to the sale of Pulse Inc.

(3) Restructuring costs have to do with operations with an impact on the consolidation scope: acquisitions, mergers, and divestments, whose impact totaled €4 million in 2018. They also cover expenses related to the departure of senior managers and efforts to significantly reorganize the governance at certain businesses.

(4) Other special items include fines, litigation, and the settlement of exceptional transactions. In 2019, they included the €1.7 million gain from the repayment by Tessi.

Each line is presented net of any related positive impacts: write-backs of provisions, exceptional gains, or compensation received.

7.4 Capitalized production

Capitalized production has been reclassified as a reduction of payroll costs and external expenses, as shown in the table below

In thousands of euros	12/31/2020	12/31/2019
Payroll costs	40,668	38,065
External expenses	10,167	9,516
Capitalized production	**50,835**	**47,581**

7.5 Inventory and work in progress

In thousands of euros	Gross values at		Provision		Net values at	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Inventories of goods	4,415	5,055	(602)	(621)	3,814	4,434
Total inventories and work in progress	**4,415**	**5,055**	**(602)**	**(621)**	**3,814**	**4,434**

7.6 Trade receivables

A provision for impairment is recognized if the fair value, based on the probability of collection, is less than the book value. Thus, customers in receivership or liquidation proceedings are routinely impaired at 100%, and receivables more than six months past due are monitored on a case-by-case basis and, if necessary, impaired in the amount of the estimated risk of non-collection.

The Group began applying the new IFRS 9 impairment model on January 1, 2018, meaning that it immediately records expected losses for all its receivables. Given the types of clients the Group deals with, the new model has had no material impacts.

The share of past-due receivables (gross amount) was €31.5 million at December 31, 2020.

In thousands of euros	Current receivables		Non-current receivables		Total receivables	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
French companies	127,096	132,647	-	-	127,096	132,647
Foreign companies	18,321	19,859	-	-	18,321	19,859
Total gross value	**145,417**	**152,506**	**-**	**-**	**145,417**	**152,506**
Provisions	10,766	8,520	-	-	10,766	8,520
Total net value	**134,650**	**143,986**	**-**	**-**	**134,650**	**143,986**

Aged balance

In thousands of euros	Total trade receivables due	Receivables < 1 month	Receivables 1 to 2 months	Receivables 2 to 3 months	Receivables 3 to 4 months	Receivables > 4 months
French companies	24,318	4,610	6,591	1,878	551	10,687
Foreign companies	7,253	1,880	1,821	336	561	2,655
Total (gross value)	**31,571**	**6,491**	**8,411**	**2,215**	**1,112**	**13,342**

7.7 Other receivables

In thousands of euros	Social security receivables		Tax receivables		Other receivables[1]		Total other receivables	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current receivables								
French companies	1,115	332	15,886	13,156	173,027	84,847	190,028	98,336
Foreign companies	161	243	3,461	2,949	141	210	3,763	3,402
Total gross value	**1,275**	**575**	**19,347**	**16,105**	**173,169**	**85,058**	**193,791**	**101,738**
Provisions					101	54	101	54
Total current receivables (net values)	**1,275**	**575**	**19,347**	**16,105**	**173,068**	**85,004**	**193,690**	**101,684**
Non-current receivables								
French companies								
Foreign companies								
Total gross value	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions								
Total non-current receivables (net value)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1)"Other receivables" include amounts generated on behalf of mutuals and insurers under outsourced management contracts totaling €171 million at December 31, 2020, and €81 million at December 31, 2019.

7.8 Other liabilities

In thousands of euros	Currents		Non-current		Total	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Advances and payment on account	**223**	**274**	**-**	**-**	**223**	**274**
Clients – unissued credits	-	-	-	-	-	-
Expenses payable	-	-	-	-	-	-
Miscellaneous payables[1]	193,989	105,632	-	-	193,989	105,632
Other liabilities	**193,989**	**105,632**	**-**	**-**	**193,989**	**105,632**
Debts on acquisition of assets	4	4	-	-	4	4
Dividends payable	-	-	-	-	-	-
Deferred income	36,279	35,390	-	-	36,279	35,390
Total other liabilities	**230,495**	**141,299**	**-**	**-**	**230,495**	**141,299**

(1) Miscellaneous payables" include amounts generated on behalf of mutuals and insurers under outsourced management contracts totaling €194 million at December 31, 2020, and €104 million at December 31, 2019.

7.9 Current and non-current provisions

Provisions are based on estimated future costs for the Company. Estimates are based on internal information, experience and, in some cases, discussions with consultants. They also take into account contractually defined liability caps and insurance policies. Decisions whether to earmark a provision and in what amount are based on case-by-case risk assessments, management's view of whether the litigation will have a favorable outcome, and the Company's ability to reliably estimate the amount in question.

Current provisions pertain to employee litigation and risks expected to reach a conclusion in the coming year. Non-current provisions include risks likely to persist beyond the coming year.

The largest provisions relate to litigation with former employees, which amounted to €3 million at the end of 2020 compared with €2.9 million at the end of 2019.

A restructuring provision of €2.6 million was recorded at the end of 2019 to cover the costs of liquidating the Pulse Inc. subsidiary in the US, whose principal assets had been sold in August 2019. This provision mainly covered the remaining duration of property leases. This provision was reversed at 100% as of December 31, 2020.

The other amounts involved are insignificant if taken individually.

In thousands of euros	12/31/2019	Additional provision allowances	New provision allowances	Reversals of provisions used	Reversals of unused provisions	Change in rate	12/31/2020
Provisions for employee litigation	2,895	15	669	(256)	(278)	-	3,045
Provisions for restructuring	2,618	-	-	(2,577)	-	(41)	-
Current provisions	**5,513**	**15**	**669**	**(2,833)**	**(278)**	**(41)**	**3,045**
Provisions for litigation	6	-	-	-	-	0	6
Other provisions for risks	900	72	550	-	-	(4)	1,517
Other provisions for expenses	950	243	555	0	(695)	-	1,053
Non-current provisions	**1,855**	**315**	**1,105**	**0**	**(695)**	**(4)**	**2,575**
Total current and non-current provisions	**7,368**	**330**	**1,774**	**(2 833)**	**(973)**	**(45)**	**5,620**

Note 8 | Personnel costs and employee benefits

8.1 Employee costs

In thousands of euros	12/31/2020	12/31/2019
Payroll costs	(249,301)	(242,548)
Profit-sharing and incentives	(6,550)	(6,710)
Free share award plan	(215)	(256)
Provisions for employee litigation	(153)	(222)
Personnel costs	**(256,219)**	**(249,736)**

8.2 Workforce

In thousands of euros	12/31/2020	12/31/2019
France	3,435	3,364
International	1,876	1,582
Number of employees	**5,311**	**4,946**

8.3 Award of free shares

The Board of Directors acted on June 28, 2018, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The Board of Directors acted on January 29, 2019, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The Board of Directors acted on January 27, 2020, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The main characteristics of these plans are as follows:

- The free shares awarded will carry the right to receive dividends, payment of which has been decided upon at their date of grant.
- The plan dated June 28, 2018, authorized a maximum award of 21,790 free shares.
- The plan dated January 29, 2019, authorized a maximum award of 22,190 free shares
- The plan dated January 27, 2020, authorized a maximum award of 37,308 free shares.
- For the 2018, 2019, and 2020 plans, the award of these shares to grantees will become final after a vesting period of two years for grantees whose residence for tax purposes is in France at the award date, and of three years for grantees whose residence for tax purposes is not in France at the award date.
- The shares will be permanently awarded to grantees subject to a single condition: no resignation, dismissal, or layoff.
- Effective the final award date, grantees whose residence for tax purposes is in France at the award date must hold their shares for a lock-up period of one year.

In application of IFRS 2, the expense measuring "the benefit" offered to employees is spread out on a linear basis over the beneficiaries' vesting period.

The main characteristics of the plans are as follows:

Plan dated :	06/28/2018	01/29/2019	01/27/2020
Date of the General Meeting	06/19/2018	06/19/2018	06/19/2018
Date of the Board meeting	06/28/2018	01/29/2019	01/27/2020
Date of Date of plan opening	06/28/2018	01/29/2019	01/27/2020
Total number of shares that can be awarded	21,790 shares	22,190 shares	37,308 shares
Initial subscription price	€34,20	€23.50	€31.40
Vesting date, France	06/28/2020	01/29/2021	01/27/2022
Vesting date, Foreign	06/28/2021	01/29/2022	01/27/2023

Position of plan as at December 31, 2020

Plan dated :	06/28/2018	01/29/2019	01/27/2020
Total number of shares awarded	2,195 shares	21,143 shares	31,090 shares
Total number of shares left to be acquired	0	0	0
Adjusted acquisition price of free share award for			
France	€33,20	€22,81	€30,48
Foreign	€29,07	€19,98	€26,69

8.4 Management compensation

Directors' fees paid to Board members came to €169,00 at December 31, 2020, and are recorded in the "Other purchases and external expenses" line of the income statement. In compliance with the IAS 24 standard, Cegedim's "key managers" correspond to members of the Board of Directors with direct or indirect authority and responsibility for planning, managing and controlling Cegedim's activities, and those of any of the Group's companies. In accordance with IAS 24.17, in-kind benefits are recorded on the "Short-term benefits" line.

In thousands of euros	12/31/2020	12/31/2020
Short-term benefits (wages, bonuses, etc.)	1,035	1,319
Post-employment benefits	None	None
Severance pay	None	None
Other long-term benefits	None	None
Benefits recognized	**1,035**	**1,319**
Termination benefits	None	None
Benefits not recognized	**None**	**None**

The short-term benefits include the variable and fixed portions of managers' compensation.

Note 9 | Investments in affiliates

9.1 Value of shares in equity method companies

Entité	% owned at 12/31/2020	Profit (loss) at 12/31/2020	Group share of profit (loss) at12/31/2020	Net share-holders' equity at 12/31/2020	Group share of total net share-holders' equity at 12/31/2020	Goodwill	Provision for risks	Leaving the scope	Net value of investments in affiliates at 12/31/2020
Edipharm	20.00 %	407	81	483	97				97
Isiakle	50.00 %	0	0	50	25				25
Pharmazon	28.57 %	327	93	2,688	768	3,312			4,079
Clamae Group	34.09 %	(812)	(277)	2,846	970	4,753			5,723
Millennium	49.22 %	3,264	1,606	17,310	8,520	2,859			11,378
Healthcare Gateway	50.00 %	1,910	955	353	177				177
Group share of investments in affiliates contributing to operating income		**5,096**	**2,459**	**23,730**	**10,556**	**10,923**	**-**	**-**	**21,479**
Infodisk	34.00 %	(53)	(18)	(754)	(256)		256	,	-
Total as of 12/31/2020		**5,043**	**2,441**	**22,976**	**10,300**	**10,923**	**256**	**-**	**21,479**

9.2 Change in the value of investments in equity method companies

The change in value of investments in equity method companies was as follows:

In thousands of euros	
Investments in affiliates at 01/01/2019	15,080
Distribution of dividend	(2,063)
Share of profit (loss) at 12/31/2020	2,441
Goodwill	4,753
Provision for risk Unrealized exchange gains / losses	18
Unrealized exchange gains / losses	3
Change in consolidated scoop	1,247
Distribution of dividend	**21,479**

The group share of income from equity method companies contributed by sector to the consolidated operating result as follows:

- Health insurance, HR and e-services division: Edipharm, Isiakle and CLAMAE Group.
- Healthcare professionals division: Pharmazon, Millennium, and Healthcare Gateway.

The group share of income from equity method companies contributed by division to the consolidated operating result as follows:

- Division Software & Services: Edipharm and Isiakle
- Division Flow: Pharmazon. Millennium, Healthcare Gateway and CLAMAE Groupe.

10.1 Goodwill

At December 31, 2020, net goodwill amounted to €186 million, compared with €193 million at December 31, 2019. Of this €6.7 million decrease, €4.7 million derived from allocations of goodwill to other identifiable assets in relation to acquisitions made in 2019, and €2.1 million from currency effects.

The Group allocates goodwill from acquisitions over a period of 12 months from the date of purchase, ensuring that it conducts measurements with the appropriate objectivity. In practice, allocations are made close to the final deadline. Acquisitions affected by allocations during 2020 include BSV (France), Ximantix (Germany) and Net EDI (UK), which operate in the electronic document management business, and Cosytech (France), which markets constraint programming-based software.

CGU groups	12/31/2019	Correction brought forward	Reclassific-ation	Allocation of acquisition goodwill	Deferred tax on allocation	Scope	Impair-ment	Translation gains or losses and other changes	12/31/2020
Health Insurance, HR & e-services	95,882	3,312		(6,189)	1,510	108		(575)	94,048
Healthcare professionals	96,858	(3,312)						(1,558)	91,988
Corporate and others	-								-
Total goodwill	**192,740**	**-**	**-**	**(6,189)**	**1,510**	**108**	**-**	**(2,133)**	**186,036**

Impairment testing

IAS 36.90 states that a group of CGUs (cash-generating units) to which goodwill has been allocated must be tested for impairment at least once every year and whenever there is an indication of a loss of value likely to give rise to impairment. This impairment is defined as the difference between the recoverable amount of the group of CGUs and its carrying amount. Recoverable amount is defined (under IAS 36.18) as the higher of the fair value of the asset less costs of disposal, and the value in use of the asset (sum of discounted future cash flows from the asset forecast by the Company).

The purpose of impairment tests is to ensure that the carrying amount of assets essential to the operation of the business and allocated to each of the two groups of CGUs (including goodwill) does not exceed the recoverable amount of those assets. The recoverable amount adopted is the value in use of the assets tested.

Impairment tests were carried out as part of the preparation of the 2020 financial statements at both of the Group's groups of operational CGUs, pro forma with the previous financial year.

The tests consisted of updating the main assumptions used to measure the assets allocated to the Group's groups of CGUs. These tests verify not only the evidence supporting the value of the goodwill (€186 million), but also that of all assets essential to the operation of the business and allocated to the groups of CGUs (i.e., €390 million tested at the end of 2020).

Firstly, the Group considered whether there were any indications of a loss of value affecting individual intangible assets.

Based on this analysis, the Group decided to recognize a €15 million impairment loss on certain intangible assets allocated to the Healthcare professionals group of CGUs related to doctors' software in the UK (€13.6 million) and, to a lesser extent, in Belgium (€1.4 million). In the UK, the expected economic benefits are now expected to be delayed because UK health authorities have been slow in accrediting the software vendors (stage completed successfully by Cegedim's solutions in the final quarter of 2020) and clearing sales and marketing operations for these new solutions in the UK (stage expected to be completed during 2021, but impact not now expected to show up until 2022). It's worth noting, however, that during the interim period caused by the pandemic, the health authorities have commissioned special assignments and finalized prior adjustments for the switchover to the new contractual arrangements, as a result of which revenue held up at close to the expected level in the UK during 2020. However, this does not reflect the start-up of the originally anticipated recurring services, and so the Group decided to recognize a preliminary impairment loss of €4.6 million in its interim financial statements (based on business plans reflecting the impact of accreditation times) and €9 million at year-end 2020 (according to business plans reflecting everything known at that date concerning the practical arrangements for the new conceptual framework). In Belgium, the new software is due to be marketed from the end of 2021, which has necessitated the impairment of the oldest product lines, in line with the volumes anticipated for them.

Secondly, the Group has updated calculations of the recoverable amount of the assets belonging to each group of CGUs, based on the business plans.

Pursuant to the transitional arrangements intended to reflect the impact of IFRS 16 on impairment testing, the assets tested at the level of the groups of CGUs factor in the amount of the right-of-use assets and corresponding lease liabilities (net impact of negative €2 million). The discounted cash flows projected in the business plans for these groups of CGUs continue to include lease expenses.

As every year, the Group has retained the services of an independent firm to calculate the discount rate that should be applied to the business plans. At previous year-ends, the Group applied a pre-tax discount rate, which was applied to pre-tax cash flows. Starting from year-end 2020 onwards, the operating cash flows in the business plans are now discounted at an after-tax rate, which is applied to cash flows after tax. This change in estimate is intended to adopt the most widely used of the two methodological approaches permitted under IAS 36. It does not have a material impact on the results of the testing (which the company verified by performing the 2019 and 2020 impairment testing using both methods—i.e. before and after tax). Only results based on after-tax cash flows are now presented.

These tests did not require any impairment losses to be recognized.

Trends factored into the units' business plans

The business plans have been updated based on a single scenario in the light of the impressive resilience of the Group's activities and its ability to bounce back once the situation eased. This scenario reflects the best estimates of the operational management teams, provided during the budgeting phase, as is the case every year, without the need for preparing complex probability-weighted scenarios.

- The plans for the Health insurance, HR and e-services group of CGUs were broadly left unchanged, albeit with adjustments for the revenue shortfall recorded in 2020 as a result of the Covid-19 pandemic. Revenue growth averaging 5.6% is projected over the next five years (vs. 6.2% in the previous plans).
- The business plans for the Healthcare professionals group of CGUs have been reviewed to factor in delays to the launch of certain solutions and the successful launch of the telemedicine offering. The average growth projected over the 2020-24 period stands at 8.3%. That is identical to the level forecast for the same period in previous plans, with acceleration towards the end of the period bringing average growth up to 8% over 5 years (impact of activities currently being started up). The plan assumes that the most recently launched software products will meet their market penetration targets, particularly in the UK. The Group believes that the analysis that led to a €15 million impairment loss on certain isolated assets will, based on its current knowledge, keep in check the uncertainties linked to impairment testing. It also wishes to point out the successful launch of the Maiia remote consultation offering and the upbeat performance of the recurring activities in the group of CGUs, which broadly held their own despite the disruption caused by the Covid-19 pandemic.
- Perpetual growth rate estimates have remained unchanged since year-end 2015.

The sensitivity of tests was measured for both groups of CGUs by studying the impact of changes in all the key financial (discount rate, growth rate) and operational parameters (uncertainties concerning achievement of margins, tested over different time horizons). Specifically:

- a change in the discount rate of +/- 50 basis points;
- a change in the perpetual growth rate of +/- 50 basis points;
- the possibility of a temporary margin reduction during the second and third years of the plan (50% reduction in margins);
- the possibility of a prolonged margin contraction (average terminal margin reduced by around 190 basis points).

These sensitivity calculations would not result in any goodwill impairment losses for the Health insurance, HR and e-services group of CGUs or for the Healthcare professionals group of CGUs. A temporary margin contraction would not trigger any impairment, and a prolonged margin contraction in the terminal year would lead to only moderate impairment (no more than 2% of the total value of assets tested).

	12/31/2020	12/31/2019
Discount rate before tax		8.90 %
Discount rate after tax	7.73 %	7.00 %
Perpetual growth rate		
- *- Health insurance, HR and e-services*	1.75 %	1;75 %
- *Healthcare professionals*	1.50 %	1.50 %

10.2 Intangible fixed assets

In thousands of euros	12/31/2019	Reclassification and correction brought forward	Acquisitions	Change in scope	Decrease	Change in rates	12/31/2020
Development costs	21,960	(26,046)	8,608	-	66	(716)	3,873
Internal software[1]	326,900	26,352	42,007	-	(1,390)	(3,485)	390,383
Other intangible assets[2]	67,991	5,856	3,992	1	(2,962)	(540)	74,337
Total gross value	**416,851**	**6,162**	**54,607**	**1**	**(4,286)**	**(4,741)**	**468,593**
Amortization and impairment of internal software	204,678	26	39,662	0	0	(1,828)	242,538
Amortization and impairment of other intangible assets[3]	54,633	(29)	10,415	0	(1,711)	(270)	63,038
Total amortization	**259,310**	**(3)**	**50,077**	**0**	**(1,711)**	**(2,098)**	**305,576**
Total impairment	-	-	-	-	-	-	-
Total intangible assets, net values	**157,540**	**6,165**	**4,530**	**1**	**(2,575)**	**(2,643)**	**163,017**

(1) The average amortization period for software developed internally and currently in use is 5 to 8 years
(2) This line mainly consists of acquired software
(3) Of which €189, 000 in allocation of goodwill

10.3 Tangible assets

In thousands of euros	12/31/2019	Reclassification and correction brought forward	Acquisitions	Change in scope	Decrease	Change in rates	12/31/2020
Land	544	-	-	-	-	-	544
Constructions	10,282	-	-	-	(920)	(15)	9,347
Other tangible assets :	**93,559**	**176**	**19,940**	**1**	**(21,207)**	**(807)**	**91,663**
Tech installations, materials and tools	75,322	181	18,718	-	(19,912)	(365)	73,943
Others	18,237	(5)	1,222	1	(1,295)	(442)	17,719
Right-of-uses assets	**77,822**	**-**	**27,918**	**-**	**(4,022)**	**(228)**	**101,490**
Constructions	71,527	-	26,944	-	(3,441)	(205)	94,824
Others tangible assets	6,296	-	974	-	(581)	(23)	6,666
Construction work in progress & advances and deposits on tangible assets	163	(162)	-	-	-	-	1
Total gross value	**182,369**	**16**	**47,858**	**1**	**(26,150)**	**(1,049)**	**203,045**
Impairment of land	-	-	-	-	-	-	-
Depreciation of buildings	7,323	-	638	-	(920)	(13)	7,028
Depreciation of others tangible assets	**62,598**	**(8)**	**9,629**	**1**	**(11,746)**	**(646)**	**59,827**
Depreciation of right-of-use assets	49,684	0	7,917	-	(10,572)	(290)	46,739
Deprecation others	12,915	(8)	1,712	1	(1,174)	(357)	13,088
Depreciation of right-of-use assets:	**13,285**	**-**	**15,940**	**-**	**(3,266)**	**(75)**	**25,884**
Constructions	11,958	-	14,180	-	(2,843)	(66)	23,229
Others tangible assets	1,327	-	1,760	-	(423)	(9)	2,655
Total depreciation	**83,206**	**(8)**	**26,208**	**1**	**(15,932)**	**(734)**	**92,740**
Total tangible assets, net values s	**99,164**	**24**	**21,651**	**1**	**(10,218)**	**(315)**	**110,305**

10.4 Financial assets (excluding investments in equity method companies)

In thousands of euros	12/31/2019	Reclassification	Acquisitions / provisions	Change in scope	Reduction / Reversals	Change in rate	12/31/2020
Equity investments [1]	1,214	-	-	(31)	-	0	1,182
Loans [2]	14,017	-	601	-	-	-	14,618
Security deposits	4,585	-	388	2	(235)	(18)	4,722
Other financial assets	40	-	31	-	(39)	(1)	31
Total gross values	**19,855**	**-**	**1,020**	**(29)**	**(274)**	**(19)**	**20,553**
Provisions on other financial assets	79	-	-	-	55	1	23
Total Provisions	**79**	**-**	**-**	**-**	**55**	**1**	**23**
Total Financial assets net value	**19,777**	**-**	**1,020**	**(29)**	**(220)**	**(17)**	**20,530**

(1) Information on non-consolidated companies
(2) Loan of €9 million to Isaklé as part of a BPO contract

Subsidiary	Share capital	Shareholders' equity other than share capital	% of control	Book value of shares owned, gross value	Provision for amortization of shares	Net value of shares owned	Revenue excluding tax	Profit (loss) for the period	Dividends received
CEIDO [1]	167	1,273	15.00%	300	-	300	2,071	(32)	-
Netfective Technology	648	23,788	4.87%	868	-	868	9,775	2,991	-
NEX & COM [2]	500	252	20.00%	13	-	13	2,232	-	-
Resodom	10	nd	10.00%	1	-	1	nd	nd	nd
Total des titres de participation non consolidés	,	,	,	**1,182**	**-**	**1,182**	**11,876**	**2,959**	**-**

(1) 2019 revenue, profit, equity
(2) Not disclosed; for guidance purposes, 2015 revenues stood at c.€2,232,000 €.

These are shares in unlisted companies which the Group doesn't control.

Note 11 | Financing and financial instruments

11.1 Net financial debt

In thousands of euros	12/31/2020			12/31/2019		
	Financial	Miscellaneous[1]	Total	Financial	Miscellaneous[1]	Total
Long-term borrowings and financial liabilities (> 5 years)	-	-	-	189,373	-	189,373
Medium-term borrowings and financial liabilities (> 1 year, < 5 years)	179,508	6,770	186,278	156	6,165	6,321
Non-current financial debt excluding IFRS 16 debt	**179,508**	**6,770**	**186,278**	**189,529**	**6,165**	**195,694**
Short-term borrowings and financial liabilities (< 1 year)	1,310	1,296	2,606	11,380	2,581	13,961
Current bank loans	-	-	-	-	-	-
Current financial debt excluding IFRS 16 debt	**1,310**	**1,296**	**2,606**	**11,380**	**2,581**	**13,961**
Total financial liabilities	**180,818**	**8,067**	**188,884**	**200,909**	**8,746**	**209,655**
Positive cash	24,734	-	24,734	29,059	-	29,059
Net financial debt excluding IFRS 16	**156,083**	**8,067**	**164,150**	**171,850**	**8,746**	**180,596**
Non-current IFRS 16 debt	62,331	-	62,331	52,413	-	52,413
Current IFRS 16 debt	15,244	-	15,244	13,507	-	13,507
Net financial debt	**233,659**	**8,067**	**241,725**	**237,770**	**8,746**	**246,516**

(1) The miscellaneous items include employee profit-sharing plans in the amount of c.€6,988,000 at December 31, 2020 and c.€6,524,000 at December 31, 2019.

11.2 Net cash

In thousands of euros	12/31/2020	12/31/2019
Current bank loans	-	-
Positive cash	24,734	29,059
Net cash	**24,734**	**29,059**

11.3 IFRS 16 debt

In thousands of euros	Less than 1 year	> 1 year < 5 years	Over 5 years
IFRS 16 debt	15,244	49,882	12,449
Total	**15,244**	**49,882**	**12,449**

IFRS 16 debt amounted to 78 million euros at December 31, 2020.

11.4 Statement of changes in net debt

In thousands of euros		12/31/2020	12/31/2019
Operating cash flow before cost of net debt and taxes	**A**	**246,516**	**107,965**
Tax paid		(98,205)	(95,906)
Change in working capital requirement		6,337	2,190
Net cash flow from operating activities		(18,513)	64,455
Change from investing activities		**(110,381)**	**(29,261)**
Impact of changes in consolidation scope		65,197	52,893
Dividends		6,094	25,378
Capital increase in cash		(2,032)	(1,883)
Impact of changes in foreign currency exchange rates		-	-
Interest paid on loans		252	(253)
Other financial income and expenses paid or received and interest on lease obligations		5,280	5,237
IFRS 16		2,643	2,696
Other changes		27,774	82,227
Total net change for the period		350	(564)
Impact of companies consolidated for the first time	**B**	**(4,823)**	**136,469**
Impact of companies sold	C	32	2,082
Net debt at the end of the period	**A+B+C+D**	**(241,725)**	**246,516**

11.5 Cost of net debt

In thousands of euros	12/31/2020	12/31/2019
Income or cash equivalent	**75**	**93**
Interest paid on borrowings	(5,280)	(5,237)
Accrued interest on borrowings	(1)	(4)
Interest on financial liabilities	**(5,281)**	**(5,241)**
Other interest and financial expenses [(1)]	(1,893)	(2,148)
Interest paid on lease liabilities	(1,373)	(1,416)
Cost of gross financial debt	**(8,547)**	**(8,805)**
Net foreign exchange gains and losses	124	(283)
Valuation of financial instruments	(16)	151
Other	(278)	272
Other financial income and expenses	**(170)**	**140**
Cost of net financial debt	**(8,642)**	**(8,572)**

In thousands of euros	12/31/2020	12/31/2019
(1) Including FCB interest	(1,311)	(1,308)
Interest on employee profit sharing	(403)	(384)
Total	**(1,714)**	**(1,692)**

11.6 Banks loans term

The banks loans have the following terms:

In thousands of euros	Less than 1 year	> 1 year < 5 years	Over 5 years
Euribor 1-month rate	1,310	179,508	-
Total	**1,310**	**179,508**	**-**

11.7 Financing

In May 2007, Cegedim borrowed €50.0 million, the FCB Loan, from its largest shareholder, FCB. During the December 2009 capital increase, FCB subscribed for €4.9 million equivalent in shares as a redemption of a portion of the debt, which decreased the balance of the FCB Loan to €45.1 million. On October 9, 2018, the FCB Loan was amended in order to subordinate it to the €135 million Euro PP bond and to the €65 million new bank revolving credit, to extend the maturity date, and to modify the applicable interest rate.

On October 8, 2018, Cegedim issued a private placement Euro PP maturing on October 8, 2025, for an amount of €135 million.

On October 9, 2018, the Group arranged a bank revolving credit facility (RCF) of €65 million maturing on October 9, 2023, with a one-year extension option. Cegedim asked to exercise the extension option in December 2019 and the banks agreed. The RCF maturity date is now October 9, 2024.

At December 31, 2020, the debt was structured in the following manner:

- 135 million Euro PP maturing on October 8, 2025;
- €65 million revolving credit, undrawn, maturing on October 9, 2024;
- €45.1 million FCB Loan maturing on November 20, 2025;
- €24.0 million overdraft facility, undrawn.

At December 31, 2020, the Group cash position is virtually not impacted by the change in client advances at the health insurance BPO business.

It worth noting that liquid assets include €22.5 million of commitments related to the health insurance BPO activity (outsourced management of health benefit payments).

Exposure of the debt to fluctuations in euro interest rates has been partially hedged by a euro rate hedge.

As of December 31, 2020, the Group's hedging against euro interest rate movements consists of a zero-premium swaps in which it receives the one-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays fixed rates of 0.2680% for a notional amount of €50 million, starting on February 28, 2017, and maturing February 26, 2021.

The notional amount hedged at December 31, 2020, is €50.0 million.

Interest expense on bank loans, bonds, charges, and commissions totaled €0.5 million at December 31, 2020.

Interest on the shareholder loan at December 31, 2020, amounted to €1.3 million.

The change in the fair value of the derivative was recognized in equity in respect of the effective portion of those eligible as cash flow hedges (amount not significant) and in profit or loss in respect of the ineffective portion and the related counterparty risk taken into account in accordance with IFRS 13 (amount not significant). The fair value of hedging instruments at the closing date amounts is not significant.

11.8 Risk management

The main financial risks identified are interest rate risks. foreign exchange and liquidity.

INTEREST RATE RISK

To limit the effects of rising interest rates on its financing costs, the Group has decided to implement a risk hedging policy to lock in a maximum annual rate of borrowing for one year. Only Cegedim SA hedges borrowings as necessary. The total notional amount hedged was €50 million at December 31, 2020. The amount of borrowings exposed to interest rate risk was €0 million at December 31, 2020. In fact only the Revolving Credit Facility and the FCB loan are at variable interest rates. However, the revolving credit facility is undrawn, so the principal hedged amount is €45.1 million.

Interest rate hedges

In thousands of euros

Start date	End Date	Par value	Rate paid	Rate received	Varaiable rate	2021 annual flow
12/31/2020	02/26/2021	50,000	0.268 %	-	0 %	(21)
Payer leg						

Exchange rate risk

The foreign currency representing a significant percentage of consolidated revenues is the pound sterling (10.0%). The Group does not have an established policy for currency hedging. This leaves the Group potentially exposed to a more or less significant exchange rate risk depending on the year. The table below shows the balance sheet's sensitivity to exchange rate risk:

In thousands of euros	GBP
Total balance sheet	951
Off-balance-sheet position	-
Net position after hedging	951

This table allows the loss risk on the net global foreign currency position to be calculated on the assumption of a uniformly adverse change of 1% in the currency used to prepare financial statements against all other foreign currencies involved. For illustration purposes, the impact of a uniformly adverse change of 1% in the euro-pound sterling exchange rate on the financial statements of subsidiaries whose functional currency for financial statements is the GBP would have a negative impact of approximately €539,000 on Group shareholders' equity.

Assuming the revenue/costs structure remains similar, any appreciation in the euro against the pound sterling would reduce earnings expressed in euros. Based on the 2020 fiscal year, if all other currencies remain at the same level against the pound sterling, a theoretical 1% appreciation in the euro against the pound sterling would have a negative impact of €490,000 on Cegedim's revenue and €15,000 on its recurring operating income.

Currency effects had a total negative impact of €825,000 on revenue in 2020, of which €654,000 was due to the the pound sterling.

The impact of currency fluctuations on revenue is determined by recalculating 2019 revenue based on 2020 exchange rates. The currency exchange rates used are the average rates over the fiscal year.

Liquidity risk

The Group has carried out a specific review of its liquidity risk and considers that it is able to meet its future maturities.

Contractual cash flows are not discounted.

When the rate is fixed, the rate is used to calculate future interest payments..

Cash flow

In thousands of euros	Less than 1 month	> 1 month < 6 months	> 6 months < 1 year	> 1 year < 5 years	Over 5 years
Bank loans and interest	1,645	2,615	3,078	203,018	
Hedging instruments				(598)	
Current bank loans					
Leasing					
Earn-out	40		30	92	
Employee profit-sharingr		1,226		6,007	
Employee profit-sharing payable					
Miscellaneous including security deposits				671	

Cash-flow projections on financial instruments

Assumptions: variable rates EUR 1 month as of December 31, 2020: 0

In thousands of euros	Rate	2021	Total
Borrower EUR rate swaps			
Fixed rate paid	0.268 %	(21)	(21)
Variable rate received		-	-
LT Swaps		(21)	(21)
Total LT Swaps		**(21)**	**(21)**

Note 12 | Trade payables and related accounts

Accounts payable aging schedule

In thousands of euros	Accounts payable, current 12/31/2020	Past due < 30 days	Past due 31 – 60 days	Past due > 60 days
French companies	1,299	650	446	203
Foreign companies	1,386	841	101	444
Total	**2,685**	**1,491**	**547**	**647**

In thousands of euros	Accounts payable, current 12/31/2020	Past due < 30 days	Past due 31 – 60 days	Past due > 60 days
French companies	1,294	188	184	922
Foreign companies	1,353	634	15	704
Total	**2,647**	**822**	**199**	**1,626**

Note 13 | Change in working capital requirement

Change in working capital requirement

In thousands of euros	12/31/2020	12/31/2019
Inventories	605	(1,756)
Trade receivables and prepaid expenses	7,370	(43,839)
Social contributions and tax receivable	(2,701)	(23)
BPO business advances	(356)	(25,610)
Others	1,720	(4,319)
Impact of the change in trade and other debtors	**6,638,**	**(75,548)**
Accounts payable and prepaid income	6,989	(8,082)
Social contributions and tax payable	(17,383)	(305)
Others	(1,481)	(2,706)
Impact of the change in trade and other creditors	**(11,875)**	**(11,093)**
Net	**18,513**	**(64,455)**

Postponement of rent and social charge payments had a €14 million positive impact on WCR.

Note 14 | Lease contracts

The Group has applied the IFRS 16 exemption permitting it not to recognize right-of-use assets and lease liabilities on the balance sheet for certain short-term leases (i.e. leases with a term of 12 months or less at their date of inception, with no extension option) and leases covering low-value asset. The corresponding lease payments amounted to €1.1 million at December 31, 2020, and were recognized in external expenses as in previous financial years.

The trend in right-of-use assets and lease liabilities in 2020 is as follows:

14.1 Right-of-use assets of lease contracts

In thousands of euros	Real estate	Equipment	Total
Gross value			
12/31/2019	71,527	6,296	77,823
12/31/2020	**94,824**	**6,666**	**101,490**
Depreciation & amortization			
12/31/2019	(11,958)	(1,327)	(13,285)
12/31/2020	**(23,229)**	**(2,655)**	**(25,884)**
Net value			
12/31/2019	59,569	4,969	64,538
12/31/2020	**71,595**	**4,011**	**75,606**

14.2 Lease debt

As of December 31, 2020, lease contract debt amounts to c.€77,575,000: the long-term portion amounts to c.€62,331,000 and the short-term portion, to c.€15,244,000.

The change in the debt can be explained as follow:

In thousands of euros	
Debt as of 12/31/2019	**65,920**
New contracts	27,902
Repayment of leases obligations	(16,118)
Others	(127)
Debt as of 12/31/2020	**77,575**

Note 15 | Income tax

15.1 Deferred tax

Tax breakdown

The tax expense recognized in income was €1,966,000 at December 31, 2020, compared with €4,821,000 at December 31, 2019. This comprised:

In thousands of euros	12/31/2020	12/31/2019
Tax paid		
France	(4,924)	(5,581)
Abroad	(49)	(243)
Total tax paid	**(4,973)**	**(5,824)**
Deferred tax		
France	1,719	1,626
Abroad	1,288	(623)
Total deferred taxes	**3,007**	**1,003**
Total tax income recognized in the income statement	**(1,966)**	**(4,821)**

Theoretical tax expense and actual tax expense

The reconciliation between the theoretical tax expense for the Group and actual tax expense is presented in the following table):

In thousands of euros		12/31/2020	12/31/2019
Net profit (loss) from continuing activities		10,916	2,691
Group share of equity method companies		(2,441)	(2,428)
Income taxes		1,966	4,821
Income before tax of consolidated companies	**(a)**	**10,441**	**5,083**
Of which French consolidated companies		*25,089*	*28,201*
Of which foreign consolidated companies		*(14,648)*	*(23,118)*
Normative tax rate in France	(b)	32.02%	34.43%
Theoretical tax expense	**(c) = (a) x (b)**	**(3,343)**	**(1,750)**
Impact of permanent differences		(1,731)	(1,031)
Impact of differences in tax rates on profits		1,740	1,366
Impact of differences in tax rates on temporary differences		(75)	(44)
Capitalized tax loss carryforwards		5,749	6,293
Uncapitalized tax on losses		(5,118)	(10,268)
Impact of tax credit		-	-
Impact of permanent differences		812	613
Tax expenses recognized in the income statement		**(1,966)**	**(4,821)**
Effective tax rate		**n/a**	**n/a**

15.1 Deferred tax

Calculation of the normative tax rate in France

Base	31 %
Contribution of 3.3% (Corporate tax above €763,000)	1.02 %
Normative tax rate in France	32.02 %

The main countries contributing to the line “Impact of differences in tax rates on profits” are:

In thousands of euros	12/31/2020
UK	1,032
USA	428
Irland	150
France (companies not in the tax consolidation group)	74
Others	56
Total	**1,740**

15.1 Deferred tax

Deferred tax assets and liabilities

Analysis by category of the change over time of the net deferred tax position recognized in the balance sheet (before offsetting by fiscal entities with deferred tax assets and liabilities).

In thousands of euros	12/31/2019	Reclassification and correction brought forward	Profit (loss)	Change in consolidation scope	Other change in equity	Change in exchange rates	12/31/2020
Tax loss carryforwards	20,000	-	-	-	-	-	20,000
Retirement benefit commitments	7,524	-	745	-	44	-	8,313
Non-deductible provisions	3,323	-	277	-	-	-	3,600
Fair value adjustment to financial instruments	64	-	8	-	(70)	-	1
Finance lease	365	-	160	-	-	-	525
Elimination of internal capital gain	168	-	(22)	-	-	-	146
Restatement of R&D margin	755	-	252	-	-	-	1,007
Other	230	-	(46)	-	-	-	184
Total deferred tax assets	**32,429**	-	**1,373**	-	**(26)**	-	**33,777**
Unrealized exchange gains/losses	-	-	(392)	-	-	392	-
Elimination of accelerated depreciation	(7,404)	-	1,177	-	-	-	(6,228)
Elimination of depreciation on business assets	(229)	-	(97)	-	-	-	(326)
Fair value adjustment to financial instruments	(602)	(1,509)	899	-	-	-	(1,212)
R&D capitalization	(452)	-	46	-	-	-	(406)
Restatement of the allowance for the R&D margin	(8,689)	(1,509)	1,633	-	-	392	(8,173)
Intangible assets	**23,741**	**(1,509)**	**3,006**	**-**	**(26)**	**392**	**25,604**

The recognition of deferred tax assets from tax loss carryforwards amounts to €20 million. We estimate that it will take an average of 4 years for the fully consolidated French companies to recover those assets.

The table below illustrates the change in deferred taxes recognized on the consolidated balance sheet after offsetting by fiscal entities for deferred tax assets and liabilities :

In thousands of euros	Assets	Liabilities	Net
At December 31, 2019	**31,748**	**(8,009)**	**23,740**
Impact on profit (loss) for the period	1,373	1,633	3,006
Impact on OCI	(26)	392	366
Impact of shareholders' equity	106	(105)	1
Impact of net reporting by fiscal entity	-	(1,509)	(1,509)
At December 31, 2020	**33,202**	**(7,599)**	**25,604**

Tax corresponding to tax loss carryforwards not recognized at December 31, 2020, amounts to €33,302,000 for French companies and €17,471,000 for foreign companies.

Note 16 | Equity and earnings per share

16.1 Equity

At December 31, 201920, share capital was made up of 13,997,173 shares (including 174,330 treasury shares), each with a nominal value of €0.9528, i.e. total share capital of €13,336,506.

16.2 Earnings per share

Earnings per share are calculated by dividing the Group share of earnings by the total number of shares minus treasury shares.

The number of shares must be the weighted average number of outstanding ordinary shares during the period (i.e. 13,824,493 shares at December 31, 2020, and 13,856,173 shares at December 31, 2019).

Earnings per share before Non-recurring income and expenses[1] amounted to €1.2 in respect of fiscal 2020.

Earnings per share amounted to €0.8 in respect of fiscal 2020.

Cegedim SA	12/31/2020	12/31/2019
Weighted average number of outstanding ordinary Cegedim SA shares	13,997,173	13,997,173
Less average number of treasury shares	(172,680)	(141,000)
Number of shares used to calculate earnings per share	**13,824,493**	**13,856,173**

Note 17 | Dividend

No dividend was paid in respect of financial year 2019, in accordance with the decision of the Ordinary General Shareholders' Meeting held on June 17, 2020.

Note 18 | Retirement commitments

18.1 Retirement commitments:

1 | French companies

In thousands of euros	Through an insurance fund	Through a provision for charges
Retirement benefit commitments	2,499	35,281

When employees retire, they receive a retirement benefit as defined in the collective bargaining agreement.

An actuarial valuation plan has been set up to calculate funding for benefit commitments. The total commitment comes to €37,781,000, including €2,499,000 paid to an insurance company.

The amount of retirement contributions provisioned as expenses during the financial year was €3,460,000.

The Cegedim Group decided to apply the option under IAS 19, as amended, which allows the actuarial gains and losses resulting from changes in the assumptions used to calculate liabilities to be recognized directly in equity

The actuarial assumptions used are as follows:

Economic assumptions	2020	2019
Net interest rate	0.3400 %	0.8477 %
Expected return on assets	0.3400 %	0.8477 %
Wage increases (including inflation)	2.50 %	2.50 %

The discount rate applied for 2020 is 0.3400% (Iboxx Corporate AA 10+) versus 0.8477% in 2019.

Demographic assumptions

Mortality: Insee 2018-2017, M/W tables

Mobility: 8.5 % per year up to age 35

5.0 % up to age 45

2.8 % up to age 50

1.0 % for ages 51 and above

Retirement age: voluntary retirement at age 65

Sensitivity to the discount rate	0.0900 %	0.3400 %	0.5900 %
	39,347	37,781	36,628

The Group's collective bargaining agreements are as follows:

- National collective bargaining agreement for traveling sales staff, representatives, ushers;
- National collective bargaining agreement for the advertising industry;
- National collective bargaining agreement for the pharmaceutical industry;
- Syntec national collective bargaining agreement for the software, technology, engineering, and consulting industries;
- French Labor Code.

2 | Foreign companies

The amount of retirement contributions reported as expenses and paid during the financial year was €53,000.

18.2 Comparison of retirement benefit commitments and plan assets

In thousands of euros	2020	2019
Retirement benefit commitments	37,781	34,709
Plan assets	-2,499	-2,459
Unrecognized prior service cost	-	-
Recognized liabilities	**35,281**	**32,250**

Change in the cost of services rendered and the fair value of plan assets

In thousands of euros		12/31/2020			12/31/2019		
		French companies	Foreign companies	Total	French companies	Foreign companies	Total
Opening retirement benefit liabilities	**1**	**34,709**	-	**34,709**	**25,830**	-	**25,830**
Cost of services rendered during the financial year		3,189	-	3,189	2,146	-	2,146
Financial cost for the financial year		291	-	291	412	-	412
Unrecognized prior service cost		-	-	-	-	-	-
Costs for the period	**2**	**3,481**	**-**	**3,481**	**2,558**	-	**2,558**
Benefits paid out	3	(579)	-	(579)	(1,431)	-	(1,431)
Actuarial losses (gains) generated during the financial year in respect of the commitments	4	170	-	170	6,821	-	6,821
Newly consolidated companies	5	-	-	-	931	-	931
Companies no longer consolidated	6	-	-	-	-	-	-
Reclassification	7	-	-	-	-	-	-
Changes in exchange rates	8	-	-	-	-	-	-
Closing retirement benefit liabilities	**1+ 2+ 3+ 4+ 5+ 6+ 7+ 8**	**37,781**	**-**	**37,781**	**34,709**	-	**34,709**
Value of plan assets							
Fair value of plan assets		2,459	-	2,459	2,223	-	2,223
Expected return on assets		21	-	21	36	--	36
Contributions		-	-	-	-		-
Benefits paid out		-	-	-	-	-	-
Actuarial gains (losses) for the financial year generated on assets		19	-	19	11	-	11
Newly consolidated companies		-	-	-	190	-	190
Companies no longer consolidated		-	-	-	-	-	-
Closing fair value of plan assets		**2,499**	**-**	**2,499**	**2,459**	-	**2,459**

18.2 Comparison of retirement benefit commitments and plan assets

Amounts recorded in the balance sheet and income statement

In thousands of euros	12/31/2020			12/31/2019		
	French companies	Foreign companies	Total	French companies	Foreign companies	Total
Cost of services rendered at the closing date	37,781	-	37,781	34,709	-	34,709
Fair value of plan assets	(2,499)	-	(2,499)	(2,459)	-	(2,459)
Sub-total	35,281	-	35,281	32,250	-	32,250
Unrecognized prior service cost	-		-	-		-
Liabilities recognized on the balance sheet	35,281	-	**35,281**	32,250	-	**32,250**
Cost of services rendered during the financial year	3,189	-	3,189	2,146	-	2,146
Financial cost for the financial year	291	-	291	412	-	412
Return on plan assets	(21)	-	(21)	(36)	-	(36)
Effect of plan reduction or liquidation	-	-	-	-	-	-
Expenses recognized in the income statement	3,460	-	**3,460**	2,522	-	**2,522**

Variation du passif net comptabilisé au bilan

In thousands of euros	12/31/2020			12/31/2019		
	French companies	Foreign companies	Total	French companies	Foreign companies	Total
Opening net liabilities	32,250	-	**32,250**	23,607	-	**23,607**
Actuarial losses (gains)	151	-	151	6,809	-	6,809
Reclassification of recognized prior service costs – vested rights	-	-	-	-	-	-
Expenses recognized in the income statement	3,460	-	3,460	2,522	-	2,522
Benefits paid out	(579)	-	(579)	(1,431)	-	(1,431)
Contributions paid	-	-	-	-	-	-
Newly consolidated companies	-	-	-	742	-	742
Companies no longer consolidated	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Change in exchange rates	-	-	-	-	-	-
Closing net liabilities	35,281	-	35,281	32,250	-	32,250

Note 19 | Related parties

19.1 Related parties

This note presents the transactions between the Group and its related parties. The compensation of key management personnel is presented in note 8.4.

Profile of Cegedim's parent company : FCB

FCB is a limited company held mainly by Jean-Claude Labrune, Chairman and Chief Executive Officer of Cegedim SA, his family, and certain members of the Board of Directors of Cegedim SA.

Transactions with related parties

Certain transactions were carried out with companies that share a Director with Cegedim SA.

The main subsidiaries (fully consolidated companies) are listed in note 4. Only the significant transactions are described below:

- Charges of €8.317 million in 2020, compared with €8.063 million in 2019, essentially comprised the following:
- FCB re-invoiced €2,432,000 in rent to companies in the Cegedim Group, compared with €2,406,000 in 2019;
- FCB invoiced €1,967,000 for car leases, compared with €1,726,000 in 20189, and €382,000 in fleet management fees, compared with €332,000 in 2019;
- FCB re-invoiced €1,882,000 for the contract for services in strategic consulting, human resources, marketing, finance, budget, and internal information systems, compared with 1,961,000 in 2019;

FCB granted a €50 million loan to Cegedim SA in 2007. At the time of the Cegedim capital increase, FCB subscribed for €4,906,000, set off against the outstanding debt. As a result, the amount owed decreased from €50 million to €45.094 million. Interest on this loan was €1,311,000 in 2020 compared with 1,308,000 in 2019.

In thousands of euros	FCB		Family-owned SCI property investment companies		Other companies	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Income	239	228	-	-	1	-
Expenses	8,317	8,063	5,948	5,840	133	-
FCB Loans	45,094	45,094	-	-	-	-
Security deposits granted	590	493	1,307	1,307	-	-
Security deposits received	9	9	-	-	-	-
Receivables	1	90	-	-	-	-
Provisions for receivables	-	-	-	-	-	-
Liabilities	817	1,080	2	417	80	-
Commitments given	-	-	-	-	-	-
Commitments received	-	-	-	-	-	-

Note 20 | Other disclosures

20.1 Seasonality

The business activities of the Group are somewhat seasonal due to its software publishing activity.
Over the year, the Group generates slightly more revenue in the second half than in the first half..

Quarterly % of reported revenue	2020	2019
Q1	24.4 %	23.7 %
Q2	23.1 %	25.1 %
Q3	23.9 %	23.5 %
Q4	28.5 %	27.7 %
Year	100.0 %	100.0 %

The proportion of EBITDA[1] generated in the second half of the year is generally much higher than the EBITDA[1] generated during the first half of the year.

Half-yearly % of reported EBITDA(1)	2020	2019
H1	37.0	45.0 %
H2	63.0	55.0 %
Year	100.0 %	100.0 %

This is largely due to the seasonal nature of Cegedim clients' decision-making processes. In particular, the Health insurance, HR & e-services and Healthcare professionals divisions are characterized by a certain seasonality effect, as some customers buy the Group's products and services at the end of the year to ensure that they fully spend their annual budgets.

(1) see Section 4.6, Note 2 on alternative performance indicators and Note 6 "Segment reporting".

20.2 Group audit fees

In thousands of euros	12/31/2020				12/31/2019			
	Mazars	%	KPMG	%	Mazars	%	KPMG	%
Auditing, certification, review of individual and consolidated financial statements								
Cegedim SA	123	41.2%	128	89.5%	131	42.3%	130	100.0%
Fully consolidated subsidiaries	175	58.8%	15	10.5%	178	57.7%	-	0.0%
Non-audit services								
Cegedim SA								
Fully consolidated subsidiaries								
Audit subtotal	297	100.0%	143	100.0%	308	100.0%	130	100.0%
Legal, tax, social								
Others								
Subtotal of other services provided by the networks to the fully consolidated subsidiaries								
Total auditors' fees	297	100.0%	143	100.0%	308	100.0%	130	100.0%

20.3 Off-balance sheet commitments

Guarantees given by Cegedim to its subsidiaries

All subsidiaries

- One-year authorization for all subsidiaries to provide securities, endorsements, and other guarantees for a total amount of €20 million, provided no single commitment exceeds €6million (authorized by the Board of Directors on March 19, 2020.

Gers subsidiary

€10 million guarantee to Sanofi (authorized by the Board of Directors on January 29, 2019).

- Cegedim has undertaken jointly and severally with its subsidiary GERS SAS to guarantee. without limit of amount. the GIE GERS for the payment of all sums of an indemnity nature (penalties. indemnities. default interest, etc.) claimed from the GIE GERS by Datapharm in respect of contractual commitments and / or any compensation due to the remittance by the GIE GERS for the benefit of the future GERS SAS. data provided by Datapharm (meeting of June 17, 2020).

Subsidiary Guarantees

Cegedim Activ subsidiary

- MAD450,000 and €305,000 guarantee to CNOPS;
- €183,000 guarantee to Office National de l'Electricité;
- Guarantees to ANAM Maroc for MAD20,000 and €8,000;
- MAD60,000 guarantee to the Kingdom of Morocco;
- Guarantees to Caisse Nationale de Sécurité Sociale du Maroc for MAD45,000 and €39,000;
- MAD100,000 guarantee to Mutuelle Général du Personnel..

Cetip subsidiary

- €80,000 guarantee to La Poste.

Futuramédia subsidiary

- 5,000 guarantee to BPIFrance.

20.4 Litigations

The Euris lawsuit

Cegedim, jointly with IQVIA (formerly IMS Health), is being sued by Euris for unfair competition. Cegedim asked the court to dismiss the case against the Group. On December 17, 2018, the Paris Commercial Court granted Cegedim's request. IQVIA has appealed the decision. The cross-appeal was ruled to be admissible in a decision issued September 9, 2020. As a result, Cegedim will be obliged to relitigate the fundamental argument that won the lower court case. Euris is asking for €150 million in damages. After consulting with its external legal counsel, the Group has decided not to set any provisions aside to cover the risk.

Tax

On February 21, 2018, Cegedim SA received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1, 2015, to December 31, 2016. After consultation with its lawyers and based on ample precedent, the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision. The maximum tax liability Cegedim faces as a result of the current audit is €13.7 million at December 31, 2020. Cegedim still believes that there is not enough risk with respect to this amount or to tax loss carryforwards recorded on its consolidated balance sheet (corresponding to €20 million) to jeopardize their valuation.

Note 21 | Significant post-closing transactions and events (post December 31, 2020)

No significant events occurred between December 31, 2020, and March 18, 2020, when the Board of Directors authorized the consolidated financial statements for issue.

Note 22 | Accounting principles and method

22.1 Basis of consolidation

Subsidiaries and equity investments are included in the consolidation scope on the date on which control is effectively transferred to the Group, while subsidiaries and equity investments that are sold are excluded from the consolidation scope on the date on which control is lost.

In accordance with IFRS 10, an investor is said to have control when the facts and circumstances show that the Group:

- has power over the subsidiary, giving it the ability to direct relevant activities;
- is exposed or has rights to variable returns from its involvement with the subsidiary;
- has the ability to use its power over the subsidiary to influence the amounts of returns it receives.

Subsidiaries thus controlled are consolidated by incorporating their financial statements, even if the percentage held is less than 50%

When the Group acts in concert with one or more other investors to direct the subsidiary's relevant activities, the parties have collective control. In these cases, the Group accounts for its stake in the subsidiary using the proportional consolidation method. This is notably the case for subsidiaries in which the Group holds a percentage of voting rights greater than or equal to 20%.

According to this method, the Group records the "share of the profit (loss) of equity-accounted affiliates" on a specific line of the consolidated net income statement

The list of consolidated companies is set out in note 5.

22.2 Business combinations (IFRS 3)

Business combinations are accounted for using the acquisition method in accordance with the provisions of the IFRS 3 "Business Combinations" standard.

The identifiable assets, liabilities, and contingent liabilities of the entity acquired are accounted for at their fair value.

The difference between the acquisition price and the Group's interest in the net fair value of assets, liabilities, and contingent liabilities of the acquired entity at the acquisition date is recorded as goodwill. In general, the Group typically makes acquisitions to gain market share, so it records little acquisition goodwill. If the acquisition price is less than the fair value of the identified assets, liabilities, and contingent liabilities acquired, the difference is immediately recognized in the income statement as a gain from a bargain purchase.

Goodwill is recorded in the functional currency of the acquired entity. IAS 21 (paragraph 47) requires that goodwill in foreign currencies be recognized at the closing rate on each accounting closing date and not at the historical exchange rate.

Goodwill is not amortized but is subject, in accordance with revised standard IAS 36, to impairment testing when an impairment indicator is identified and at least once a year (see "Impairment of Assets").

If the recoverable amount of goodwill is less than the net book value, the difference in value is recorded on the income statement.

The recoverable amount is defined as the higher of fair value of assets less costs of disposal and value in use of the assets (the sum of discounted cash flows expected by the company for the asset estimated based on the present and future profitability of the division in question).

If necessary, impairments are recorded as "Other special items".

22.3 Intangible assets (IAS 38)

Intangible assets acquired separately or through a business combination

Intangible assets acquired separately (primarily software) are recorded initially at cost. They are recognized as assets when (i) it is probable that future economic benefits attributable to them will go to the Group and (ii) their cost can be measured reliably.

Intangible assets acquired in connection with business combinations are recorded at their fair value on the acquisition date.

Intangible assets with a finite useful life are assessed and recognized according to the cost model.

Intangible assets are amortized using the straight-line method over their useful life (excluding goods with an indefinite life). The useful life of intangible assets is reviewed periodically. If necessary, resulting changes are recognized.

The value of amortized intangible assets is tested if an impairment indicator is identified.

Research and development / Internally developed software

Research costs are expensed in the financial year during which they were incurred.

Development costs for new internal projects are capitalized if the following criteria are fully satisfied in accordance with IAS 38:

- the project is clearly identified, and the related costs are separable and tracked reliably;
- the technical feasibility of the project has been demonstrated, and the Group has the intention and the financial capacity to complete the project and use or sell the products resulting from the project;
- it is probable that the developed project will generate future economic benefits that will flow to the Group.

Otherwise, the development costs are expensed in the financial year during which they were incurred.

Once in use, assets whose development is complete are removed from the development costs item and recognized under the corresponding asset item (generally software).

Amortization is calculated as of the moment the fixed asset is ready to be used and is calculated over its foreseeable useful life. Projects are classified based on their life cycles, as follows:

Project type	Duration	Method	Number of projects
Core projects	15 years	Straight-line	Very select number of projects
Strategic projects	8-10 years	Straight-line	Select projects
Routine developments	5 years	Straight-line	Covers most Group projects
Targeted projects	2-4 years	Straight-line	Select projects

The Group regularly performs impairment tests on key internally developed software, even when there is no impairment indicator, to ensure that the software still meets the IAS 38 definition of an asset and that amortization schedules are consistent with assets' useful lives. When necessary, impairment may be recorded for a specific software program. Changes that may result from a revision to a program's useful life are recognized.

This test is based on projections of future cash flows estimated according to the project's expected productivity and market potential. Discount rate assumptions are identical to those used for asset impairment (see below), except for the fact that this discount rate is expressed "before" tax when it is applied for the purposes of this specific test, to operating cash flows before tax.

22.4 Tangible assets (IAS 16)

Property and equipment consist primarily of computer hardware and industrial equipment and are recorded at their acquisition cost, less accumulated depreciation and impairment losses.

Property and equipment are depreciated straight-line over their useful life, the depreciable basis used being cost less any estimated residual value, if applicable.

The useful lives of the property and equipment are revised periodically. If necessary, resulting changes are recognized.

Property and equipment are subject to impairment testing if an impairment indicator is identified.

If necessary, additional impairment is recorded in the income statement as "Other special items".

The following depreciation periods and methods are used:

Project type	Duration	Method
PCs for office use		
Server systems	3-4 years	Straight-line
Industrial equipment	5 years	Straight-line
Printing equipment		
Industrial equipment and machinery	8-10 years	Straight-line
Fixtures and facilities	5-8 years	Straight-line
Transportation equipment	**8 years**	**Straight-line**
Office equipment	**4 years**	**Straight-line**
Furnishings	**4 years**	**Straight-line**
PCs for office use	**8 years**	**Straight-line**

Additionally, IAS 16 prescribes the separate component approach for assets that can be broken down into elements that each have different uses or offer economic benefits at a different rate. In the Cegedim Group, this involves buildings consisting of administrative offices and industrial facilities (workshops, warehouses, storage areas, etc.), for which separate depreciation schedules have been established based on the useful life of the various components (structure, facades and weatherproofing, general and technical facilities, and fixtures).

22.5 Lease accounting

The Group has applied IFRS 16 to leases effective January 1, 2019. When Cegedim enters into a lease agreement providing for fixed payments, the standard requires it to recognize a lease liability reflecting the discounted value of future payments it will make, with a corresponding right-of-use asset amortized over the lease term.

The Group has decided not to restate leases with an initial term of less of 12 months or those for low-value assets.

The lease term is the reasonably certain period until the end of the lease.

The discount rates applied, which are calculated at the commencement of each lease, reflect the lessee's marginal borrowing rate. For euro rates, they are based on the euro swap curve, plus the financing component. For rates applied to foreign-currency leases, they are based on the swap curve for the relevant currency, plus the financing component for the same currency.

22.6 Impairment of assets (IAS 36)

Cash Generating Units (CGU)

The CGU is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash inflows generated by other assets or groups of assets. CGUs generally correspond to a set of entities contributing to the same sector of activity (type of services) and using the same tools.

Since the transition to IFRS, the Group has revised the dividing lines for its CGUs three times with the assistance of an independent consulting firm to more accurately reflect changes at its businesses and thus on internal reporting. The current separation of CGUs dates to 2015.

The Cegedim Group has two groups of CGUs, corresponding to its two business operating sectors (and to the sector information presented in Note 6):

The Health insurance, HR and e-services division serves large corporate clients. The sector

- handles all products and services marketed to insurance companies, mutual insurers, personal protection insurers, and insurance brokers, and it covers the entire chain of interactions between these entities and healthcare professionals;
- it also targets companies in any business sector interested in solutions for hosting, outsourcing (HR and payroll management, for example), or electronic data exchanges (Cegedim e-business).

The Healthcare professionals sector serves doctors, allied health professionals, pharmacists, and healthcare facilities. The sector sells management software, databases, and solutions that help healthcare professionals perform everyday tasks.

For impairment testing purposes, as of the acquisition date, goodwill acquired as part of a business combination is allocated to the two groups of CGUs that are likely to benefit from the resulting synergies. This approach is also consistent with the way the Group's management monitors business performance.

Impairment testing

When impairment is indicated, or at least once a year, the Group performs impairment tests to assess the possible loss of value for its operating assets.

Impairment tests are performed on the CGU to which the assets are assigned.

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognized if the recoverable value of an asset or of a CGU is less than its book value.

If the CGU tested includes goodwill, the impairment is first allocated to this goodwill.

Impairment is recognized under "Others special items" and is clearly explained in the notes to the consolidated financial statements.

Sensitivity tests are conducted on various parameters, namely by varying the assumptions used for the discount rate, the perpetual growth rate, and the performances in terms of EBITDA margin and free cash flow.

Value in use

The value in use of a group of CGUs is determined using the discounted cash flow (DCF) method. Business plans are constructed by making five-year forecasts under the assumptions used by the Group's different operating managers in their strategic plans. These are reviewed by the Audit Committee and approved by the Board of Directors. The expected cash flows beyond the fifth year of the plan are represented by a terminal value, which is determined using a margin projected from the average margin appearing in the business plans and in recent years.

Discount rate

The Group uses a single discount rate for all groups of CGUs. The skills center, R&D developments, and databases used to support Group services are centralized, and products and services are distributed locally.

In accordance with IAS 36, the discount rate is calculated from a business segment's weighted average cost of capital after tax. The rate is applied to operating cash flows after tax.

The Group hires independent experts to calculate this discount rate. The calculations use a sample of listed peers and benchmark indexes to determine Cegedim's specific risk premium and beta coefficient, as well as a target debt ratio applicable to the industry in which the Group competes. The formula is updated as market conditions require and at least once per year.

Perpetual growth rate

The perpetual growth rate is based on economic data that is weighted to reflect the specificities of the Cegedim Group.

22.7 Financial assets

How financial assets are classified and measured depends on the business model and contractual characteristics of the financial instruments. Upon their initial recognition, financial assets are classified under IFRS 9 as being held either at amortized cost, at fair value through equity, or at fair value through profit or loss.

Within the Group, financial assets include equity securities (including non-consolidated equity investments), loans and deposits, and security deposits.

22.8 Deferred taxes (IAS 12)

Deferred taxes are calculated using the variable tax rate method for all temporary differences between the carrying amount entered in the consolidated financial statements and the tax base of the Group's assets and liabilities. Deferred tax assets and liabilities are valued at the tax rate expected to be applied for the financial year during which the asset will be realized or the liability paid, based on the tax rates enacted at the closing date.

Deferred tax assets on deductible temporary differences and on unused tax losses carried forward are recognized to the extent that it is likely that future taxable profits will be offset by as yet unused tax losses.

Deferred tax assets and liabilities are not discounted. They are offset when (1) the entity has a legally enforceable right to offset tax assets and liabilities, (2) they relate to income taxes levied by the same tax authority on the same taxable entity.

22.9 Inventories of goods and services in progress (IAS 2)

Inventories of goods

Inventories of goods are valued using the weighted average cost method. The gross value of goods and supplies includes the purchase price and ancillary expenses.

Impairment is recorded if the book value is less than the current fair value (net realizable value).

Services in progresss

The current fair value consists solely of the direct costs recorded on contracts in progress. An impairment is recorded when future billings for work in progress will not cover the corresponding direct costs.

22.10 Trade receivables and other operating receivables

Trade receivables

Trade receivables are initially valued at fair value then at amortized cost and are individually monitored. An impairment is recorded when the current fair value is less than the carrying value given the probability of recovery.

Other receivables

Receivables are accounted for at their discounted amount if they are due in more than one year and if the effects of discounting are significant.

Classification of financial assets

IFRS 9 introduces a new approach to classifying and measuring financial assets. The standard classifies financial assets into three categories: those measured at amortized cost, those measured at fair value through other comprehensive income, and those measured at fair value through profit or loss.

Impairement – Financial assets and contract assets (IFRS 9)

For trade receivables including contract assets, the Group measured losses actually incurred by its client portfolio over recent years and concluded that the new arrangements for the impairment of contract assets do not have a material impact on the Group's financial statements.

22.11 Cash and cash equivalents

Cash equivalents are valued at their market value on the closing date. Changes in value are recorded in the financial result.

22.12 Treasury shares (IAS 32)

In accordance with IAS 32, treasury shares are accounted for at cost and their value is deducted from consolidated shareholders' equity.

Gains (losses) arising from sales of treasury shares are added to (deducted from) consolidated reserves at their amount net of tax effects.

Sales of treasury shares are accounted for using the FIFO method.

22.13 Provisions and contingent liabilities (IAS 37)

A provision is recorded if the Group has an obligation resulting from past events, whose settlement is expected to result in an outflow of economic resources whose amount can be reasonably measured. The provision classification is maintained as long as the due date and the amount of the outflow of resources have not been precisely determined.

Provisions are estimated on a case by case basis or based on statistics when they include a large number of items. They are discounted when they are due in more than one year. Cegedim Group's main commitments are intended to cover employee, client, and supplier litigation.

22.14 Retirement (IAS 19)

Defined-contribution plans

Defined-contribution plans are post-employment benefit plans under which an entity makes defined contributions to a separate entity (a fund) and has no legal or constructive obligation to pay additional contributions if the fund has insufficient assets to provide all the benefits corresponding to the services rendered by employees during current and prior periods. These contributions are recorded as payroll cost for the period in which they are due, with no liability recognized in the balance sheet.

Defined-benefit plan

Defined-benefit plans refer to post-employment benefits other than defined-contribution plans.

They primarily involve retirement obligations. If these obligations are assumed directly by the Group's companies, the corresponding actuarial liabilities are covered by a provision in the balance sheet.

Since 2011, the Group has applied IAS 19, as amended, under which it can recognize directly in equity the actuarial gains and losses arising from changes in the assumptions used to calculate the liabilities.

Cegedim SA applies recommendation ANC 2013-02 of the French national accounting standards board, dated November 7, 2013, which governs the valuation of retirement obligations and similar benefits.

In accordance with this recommendation, the unrecognized prior service cost unamortized at December 31, 2012, was recorded as a reduction in shareholders' equity at January 1, 2014.

Actuarial liabilities are calculated using the projected unit credit method and are based on valuations specific to each company of the Group; these valuations include assumptions concerning, for example, wage increases, inflation, life expectancy, and employee turnover. The discount rate applied to retirement benefit obligations is determined using the closing benchmark market rate based on top-rated bonds. For countries that lack an active market in top-rated corporate bonds, the Group uses the closing rate of government bonds.

Additionally, the impact that changes to pension plans resulting from amendments to collective bargaining agreements have on the valuation of the provision for retirement benefits is spread over employees' remaining years of service.

Finally, if this obligation is partially or completely covered by funds paid by Group companies to financial institutions, the amounts of these dedicated investments are deducted from the liability on the balance sheet.

22.15 Financial liabilities (IAS 32/ IFRS 9)

Issue premiums and issue costs impact the initial recognized value (fair value) of financial liabilities and are included in the calculation of the EIR (Effective Interest Rate) in compliance with IAS 32 and IFRS 9. Borrowings and other financial liabilities that charge interest are valued according to the amortized cost method using the effective interest rate for the loan. The costs are thus spread out over the loan's life via the EIR.

For financial liabilities arising from finance leases, the financial liability recorded to match the non-current asset is initially recorded at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

22.16 Derivatives and hedging instruments

Financial instruments are recognized at fair value and subsequent changes in the fair value of the instrument are recognized according to whether or not the instrument is a hedging instrument and, if so, the nature of the item hedged.

The Group's use of derivatives such as interest rate swaps, caps, or other equivalent term contracts is intended to hedge risks associated with interest rate fluctuations.

These derivative instruments are recorded in the balance sheet at market value. Changes in market value are recognized in the income statement in "Other operating income and expenses", except for transactions that qualify as cash flow hedges (flows related to a variable interest rate debt), for which changes in value are recorded under equity.

From the outset of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and hedging policy.

The financial elements covered by derivatives follow one of two types of hedge accounting:

- fair value hedges;
- cash flow hedges.

For fair value hedges, the value of the financial liability underlying the derivative is adjusted in the balance sheet under the hedged risk (risk relating to interest rate fluctuations). Changes in value are recorded in the income statement (as financial expenses) and offset changes in the value of the derivative allocated to the underlying for the hedged portion.

For cash flow hedges, the financial liability is recorded in the balance sheet at the amortized cost. Changes in the value of the derivative are recorded in shareholders' equity. To the extent that the financial expense or income of the hedged item impact the income statement for a given period, the financial expense or income recorded under shareholders' equity in respect of the derivative for the same period is transferred to the income statement.

When a derivative does not meet the criteria for hedge accounting, changes in fair value are recognized in the income statement under other operating income and expenses.

Hedge accounting (IFRS 9)

The Group has decided to recognize forward points separately under "hedging costs". They are now recognized under other comprehensive income in hedging reserves, a separate component of equity, before being reclassified subsequently as accumulated gains and losses in the cash flow hedging reserve.

22.17 Revenue recognition (IFRS 15)

Effective January 1, 2018, Group revenues are recognized using the modified retrospective method in accordance with IFRS 15. The revenue recognition model has five steps:

- Identify the contract with a customer;
- Identify the distinct performance obligations;
- Determine the transaction price;
- Allocate the transaction price amongst each of the performance obligations;
- Recognize revenue when each performance obligation is satisfied.

Cegedim Group's revenues consist primarily of services, software sales and, to a lesser extent, hardware sales.

Note 7 more specifically details the conditions for revenue recognition and application of IFRS 15.

22.18 Foreign currency translation (IAS 21)

Transactions in foreign currencies

Transactions in foreign currencies are recorded using the exchange rate on the date the transactions are recorded. On the closing date, accounts payable or receivable denominated in foreign currencies are converted into euros at the closing exchange rate.

Translation differences for transactions in foreign currencies are recognized in financial income (expense). Such transactions are very limited in number. Therefore, the Group does not specifically manage the exchange risk.

Financial statements of foreign entities

The currency used to prepare consolidated financial statements is the euro.

The financial statements of foreign entities using a different functional currency are converted into euros using:

- the official closing rate for assets and liabilities;
- the average of monthly average rates for the financial year ended for income statement and cash flow statement items;
- the historical rate for shareholders' equity.

Translation gains or losses resulting from this treatment and those resulting from the translation of the shareholders' equity of subsidiaries at the beginning of the financial year based on the closing rates are included in "Exchange differences" under consolidated shareholders' equity.

Translation gains or losses on intra-Group loans are eliminated via the Group translation gains or losses (in reserves) in order to smooth out fluctuations in exchange rates because these loans are long term (their settlement is neither planned nor likely in the foreseeable future) and in some cases may be converted into capital increases.

22.19 Cash flow statement (IAS 7)

In accordance with the option offered by IAS 7 "Statement of cash flows", the consolidated cash flow statement is prepared using the indirect method.

This method shows the reconciliation of the net profit (loss) with the net cash generated by operating activities in the financial year. The opening and closing cash positions include cash and cash equivalents, which are made up of investment instruments less overdrafts.

22.20 Segment reporting (IFRS 8)

Segment reporting is prepared according to the accounting methods used for the preparation and presentation of consolidated financial statements.

Segment reporting corresponds to the way the Group's internal reporting is organized, which is the basis for the management tools used by the Group's management. It is also the main way financial performance is communicated.

The Group's activities are divided into two operating business segments and a "Corporate and others" segment:

The Health insurance, HR and e-services division serves large corporate clients. The sector:

- handles all products and services marketed to insurance companies, mutual insurers, personal protection insurers, and insurance brokers, and it covers the entire chain of interactions between these entities and healthcare professionals;
- it also targets companies in any business sector interested in solutions for hosting, outsourcing (HR and payroll management, for example), or electronic data exchanges (Cegedim e-business).

The Healthcare professionals sector serves doctors, allied health professionals, pharmacists, and healthcare facilities. The division sells management software, databases and solutions that help healthcare professionals perform everyday tasks.

The Corporate and others secto is the third division and supports the operating divisions

Intra-Group transfer prices are based on standard agreements entered into on an arm's length basis.

The Group publishes information by geographic area, which shows the dichotomy between France and international. When there is a material exposure to foreign currencies, consolidated revenue performances are further broken down according to currency.

The Group alos provide an information by business activities: Software & services, Flow, Data and marketing and BPO, for more information refer to Note 6 "Segment reporting".

4.7 | Statutory Auditors’ report on the consolidated financial statements

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

Cegedim

Financial year ended December 31, 2020

To the shareholders of Cegedim.

Opinion

In carrying out the task entrusted to us by your General Meeting, we have audited the consolidated financial statements of Cegedim SA for the financial year ended December 31, 2020, as appended to this report.

We certify, in accordance with the IFRS as adopted by the European Union, that the consolidated financial statements are accurate and truthful and give a true and fair view of the results of the operations of the past financial year, as well as the financial situation and the assets, at the end of the year, of all of the persons and entities included in the consolidation scope.

The opinion expressed above is consistent with the contents of our report to the audit committee.

Basis for the Opinion

Audit standard

We conducted our audit in accordance with generally accepted professional standards in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the “Auditors’ responsibilities relating to the consolidated financial statements” section of this report.

Independence

We carried out our audit in accordance with the rules of independence provided for by the commercial code and by the code of ethics of the profession of statutory auditors, over the period from January 1, 2019, to the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of (EU) Regulation No. 537/2014.

Justification for our assessments–Key audit matters

The audit of the financial statements for this financial year took place amid highly unusual conditions as a result of the global Covid-19 pandemic. The ensuing crisis and unparalleled measures taken to address the health emergency impacted the businesses in various ways. It affected their revenue and their financing in particular, while also giving rise to greater uncertainties about their future outlook. Some of these measures, such as travel and teleworking restrictions, also disrupted the internal organization of the businesses and implementation arrangements for audits.

Amid this complex and shifting backdrop, and pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key aspects of the audit with respect to the risk of material anomalies and which, in our professional judgement, were the most important for the audit of the consolidated financial statements for the financial year. We also demonstrate how we have dealt with these risks.

The assessments thus made are part of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual items in the consolidated financial statements.

Valuation of goodwill

((Notes 10.1 and 22.6 of the notes to the consolidated financial statements)

Risk identified

At December 31, 2020, the net book value of goodwill amounted to €186 million, compared with a balance sheet total of €905 million.

At least once a year, and whenever indicators of impairment are identified, Management performs impairment tests at the level of the two groups of Cash Generating Units (CGU) to which the goodwill has been allocated. An impairment loss is recognized when the recoverable amount of the group of CGUs is lower than its net book value, provided that:

- the recoverable amount of a group of CGUs is the higher value between its fair value less sales costs, or its value in use;
- the value in use of a group of CGUs is the sum of the discounted cash flows expected by the Group for the CGUs.

We have considered the valuation of goodwill as a key audit matter, given its importance to the consolidated balance sheet and the estimates and assumptions used by Management to determine their recoverable value, which is mostly based on projections of discounted cash flows, the realization of which is inherently uncertain.

Our response

Our work included:

- confirming that the latest strategic plans established by Management and the impairment tests for each of the two groups of CGUs are consistent with the business projections that underlie the cash flow projections, in particular by interviewing Management and by comparing past estimates and performance achieved;
- assessing the soundness of the key assumptions used for:
  - the determination of cash flows in relation to the underlying operational data,
  - the long-term growth rate of these flows,
  - the discount rates used.
- We obtained and reviewed sensitivity analyzes performed by Management. We also performed our own sensitivity calculations to appreciate that only an unreasonable change in assumptions could result in the recognition of a significant impairment of goodwill.
- We sought to appreciate the appropriateness of the information supplied in Notes 10.1 and 22.6 of the notes to the consolidated financial statements

Recognition and evaluation of development costs and internal software recorded as assets

(Notes 10.2 and 22.3 of the notes to the consolidated financial statements)

Risk identified

At December 31, 2020, the net book value of development and internal software costs amounted to €152 million, compared with a balance sheet total of €905 million.

These intangible assets correspond to the development expenses of new internal projects that are capitalized when the criteria set out in Note 22.3 of the notes to the consolidated financial statements are met. Amortization is applied on a straight-line basis from the start-up date of the underlying asset and is calculated on the basis of the expected useful life.

The Group carries out regular impairment tests on the main internally developed software even if there is no impairment indicator in order to ensure that the net book value of these assets does not exceed their recoverable amount. To this end, the Group performs impairment tests at the level of internal development projects to which a significant asset is attached. The methods and detailed assumptions used for these tests are presented in Note 22.3 to the consolidated financial statements.

We considered the recognition and valuation of development and internal software costs as a key part of our audit, taking into account its importance with regard to the consolidated balance sheet and the estimations and hypotheses used by the Management to determine their recoverable value, which is mostly based on discounted cash flow projections whose realization is inherently uncertain.

Our response

Our work involved :

- evaluating, compliance with the accounting standards in force, the procedures for examining the criteria for capitalizing development costs;
- cataloguing and testing a sample of the key controls the Group has set up as part of its internal control process for the capitalization and monitoring of development costs and internal software;
- confirm, on a test basis, that the amounts of development costs capitalized over the financial year are consistent with the underlying documentary evidence;
- noting and assessing the reasonableness of the data and assumptions used by the Management to prepare the cash flow projections on selected projects—including the marketing and depreciation periods, sales, and the margin rate and discount rate—by consulting with Management and comparing future cash flows with past achievements;
- performing our own sensitivity calculations;
- appreciate the appropriateness of the information supplied in notes 10.2 and 22.3 of the notes to the consolidated financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verification required by legal and regulatory texts of the information relating to the Group that is provided in the Board of Directors' management report.

We have no comments to make as to its fairness and consistency with the consolidated financial statements.

We attest that the consolidated statement of non-financial performance required by Article L.225-102-1 of the French Commercial Code is included in the Group's management report. Note that, in accordance with the provisions of Article L.823-10 of the code, we have not verified that the information contained therein is fairly presented and consistent with the consolidated financial statements. This should be reported on by an independent third party.

Other verifications or disclosures required by law and the regulations

Presentation format of the annual financial statements intended for inclusion in the annual financial report

In accordance with the professional standards applicable in France, we also performed the Statutory Auditor's procedures for annual and consolidated financial statements presented in the European single electronic reporting format, verified compliance with this format as laid down in Commission Delegated Regulation no. 2019/815 of December 17, 2018, on the presentation of annual financial statements intended for inclusion in the annual financial statements as stated in Article L. 451-1-2(I) of the French Commercial Code, which the Chief Executive Officer is responsible for preparing.

Based on the procedures performed, our opinion is that the presentation of the annual financial statements intended for inclusion in the annual financial report complies in all material respects with the European single reporting format.

It is not our responsibility to verify that the annual financial statements actually included by Cegedim in the annual financial report filed with the AMF are indeed those on which we performed our procedures.

Appointment of auditors

Mazars were appointed auditors of Cegedim SA by the General Meeting of April 23, 2002 and KPMG by the General Meeting of June 18, 2019.

As at December 31, 20209, Mazars was in its nineteenth consecutive year as statutory auditor, and KPMG was in its second year.

Responsibilities of Management and Corporate Governance Officers in regards to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union, and for designing and implementing the internal controls that it deems necessary for the preparation of consolidated financial statements without material misstatements, whether due to fraud or error.

When it prepares the consolidated financial statements, management is responsible for evaluating the company's ability to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy, unless there are plans to liquidate the company or discontinue its activity.

The Audit Committee is responsible for monitoring the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, in regards to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors..

Responsibilities of the auditors relating to the audit of the consolidated financial statements

Audit objective and procedure

It is our duty to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice will systematically detect all material misstatements. Misstatements may arise from fraud or error and are considered material if it can reasonably be expected that they, taken singly or together, may influence the economic decisions that account users make on their basis.

As specified by Article L. 823-10-1 of the French Commercial Code, our engagement to certify accounts is not a guarantee of the viability or the quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the auditor exercises their professional judgment throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether from fraud or error, and defines and implements audit procedures to address such risks, and collects the information they consider sufficient and appropriate to act as a basis for their opinion. The risk of non-detection of a material misstatement from fraud is higher than that of a significant anomaly resulting from error, since fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the circumventing of internal control;
- the auditor takes cognizance of the internal control relevant to the audit in order to define the appropriate audit procedures under the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- the auditor assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- the auditor assesses the appropriateness of management's application of the going concern concept and, depending on the information gathered, the existence or otherwise of material uncertainty related to events or circumstances likely to compromise the company's ability to continue its operations. This assessment is based on the information gathered up to the date of their report, but note that subsequent circumstances or events could jeopardize the continuity of operations. If the auditor concludes that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements about this uncertainty, or, if this information is not provided or is not relevant, they draw up a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events so as to give a true and fair view of them;
- with regard to the financial information of the persons or entities included in the scope of consolidation, they collect information that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision, and execution of the audit of the consolidated financial statements as well as for the opinion expressed on these accounts.

Audit Committee Report

We submit a report to the audit committee, which outlines the scope of the audit work and the implemented work program, as well as the conclusions arising from our work. We also disclose, if necessary, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the information disclosed in the report to the audit committee are the risks of material misstatements that we consider to have been the most important for the audit of the consolidated financial statements for the financial year and which therefore constitute the key audit matters, which it is our responsibility to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of the (EU) Regulation No. 537-2014 confirming our independence within the meaning of the regulations applicable in France as laid down in particular by Articles L. 822 -10 to L. 822-14 of the French Commercial Code and in the auditors' professional code of ethics. Where appropriate, we discuss with the audit committee any risks to our independence and the safeguards that have been put in place.

The Statutory Auditor

KPMG S.A.
Paris La Défense, April 14, 2021

Vincent de Becquevort
Partner

Mazars
Courbevoie, April 14, 2021

Jean-Philippe Mathorez
Partner

05

PARENT COMPANY FINANCIAL STATEMENTS

5.1 | Balance sheet

Assets

In thousands of euros	Gross	Depreciation, amortization, and impairment	12/31/2020 Net	12/31/2019 net
Intangible assets				
Development costs	6,191	-	6,191	4,191
Concessions, patents, and similar rights	495	446	49	61
Commercial goodwill	5,071	160	4,911	4,911
Other intangible assets	39,044	29,241	9,803	8,657
Property, plant, and equipment				
Buildings	3,197	3,196	1	268
Plant and equipment	4,857	3,281	1,576	1,658
Other property, plant, and equipment	820	522	298	234
Non-current assets in progress				-
Financial assets				
Investments	461,426	165,248	296,178	268,279
Accrued interest on investments	-	-	-	-
Loans	25,613	1,618	23,995	35,439
Other financial assets	1,957	-	1,957	1,853
Non-current assets	**548,671**	**203,712**	**344,959**	**325,550**
Inventories and work in progress				
Inventories of goods held for resale and raw materials	-	-	-	-
Production of services in progress	-	-	-	-
Goods held for resale	-	-	-	-
Advances and deposits paid on orders	6	-	6	17
Receivables				
Trade receivables	19,890	2,199	17,691	21,240
Other receivables	7,002	-	7,002	7,688
Capital called but not paid-up				-
Short-term investments	5,112	141	4,971	4,021
Cash and cash equivalents	42	-	42	5
Accruals				
Prepaid expenses	992	-	992	921
Current assets	**33,045**	**2,340**	**30,705**	**33,892**
Deferred bond issue expenses	966	-	966	1,228
Unrealized exchange losses	259	-	259	34
Total assets	**582,941**	**206,052**	**376,889**	**360,703**

Liabilities and equity

In thousands of euros	12/31/2020	12/31/2019
Share capital	13,336	13,336
Merger and contribution share premiums	29,992	29,992
Statutory reserve	1,334	1,334
Tax-regulated reserves	4,612	3,632
Other reserves	19,653	29,714
Retained earnings		-
Profit (loss) for the period	5,567	(9,081)
Tax-regulated provisions	-	2
Equity	**74,494**	**68,929**
Provisions for liabilities	1,707	84
Provisions for charges	5,121	4,271
Minority interest		-
Provisions for liabilities and charges	**6,828**	4,355
Financial liabilities		
Other bonds		-
Borrowings from financial institutions	215,506	214,736
Miscellaneous borrowings and financial liabilities	47,051	46,843
Advances & payments on account received on orders in progress	81	154
Trade payables		
Trade payables and related accounts	9,977	10,099
Tax and social security liabilities	14,048	11,904
Miscellaneous payables		
Amounts due on non-current assets and related accounts		-
Other financial liabilities	8,201	3,040
Prepaid income	700	595
Liabilities	**295,564**	**287,371**
Unrealized exchange gains	2	48
TOTAL Liabilities and equity	**376,889**	**360,703**

5.2 Income statement

Income statement Part I

In thousands of euros	12/31/2020	12/31/2019
Sales of goods held for resale, France	-	-
Sales of goods held for resale, outside France	-	-
Production of goods sold, France	35	16
Production of goods sold, outside France	-	-
Production of services sold, France	77,146	73,496
Production of services sold, outside France	2,761	2,369
Net revenue	**79,942**	**75,881**
Production transferred to inventory		-
Capitalized production	6,373	5,060
Reversals of depreciation, amortization and impairment, and transfers of expenses	906	1,596
Other income	863	842
Operating income (expense), net	**88,085**	**83,379**
Purchases of goods held for resale	-	-
Variations in inventories of goods held for resale and raw materials	-	-
Purchases of raw materials and supplies	-	-
Other external purchases and expenses	(50,104)	(46,133)
Taxes, duties, and similar levies other than on income	(1,227)	(1,322)
Wages and salaries	(22,303)	(21,915)
Payroll taxes	(10,277)	(10,124)
Depreciation and amortization of non-current assets	(4,429)	(4,817)
Allowances to provisions for current assets	(1,087)	(255)
Allowances to provisions for liabilities and charges	(1,996)	(1,863)
Other expenses	(203)	(214)
Operating expenses	(91,626)	(86,642)
Operating income, net	**(3,541)**	**(3,263)**

Income statement Part II

In thousands of euros	12/31/2020	12.31.2019
Financial income from investments	17,896	21,968
Other interest and related income	561	399
Reversals of provisions and transfers of expenses	12,262	7,138
Foreign exchange gains	15	1
Net gains on disposals of short-term investments	-	-
Financial income	30,734	29,506
Depreciation and allowances to provisions for financial items	(9,990)	(39,299)
Interest and related expenses	(6,896)	(6,855)
Foreign exchange losses	(10)	(19)
Financial expenses	(16,896)	(46,173)
Net financial income (expense)	**13,838**	**(16,667)**
Income before non-recurring items and tax	**10,297**	**(19,930)**
Non-recurring income on management operations	**-**	**-**
Non-recurring income on capital transactions	7,637	2,157
Reversals of provisions and transfers of expenses	2	22
Non-recurring income	7,639	2,179
Non-recurring expenses on management operations	-	
Non-recurring expenses on capital transactions	(20,993)	(462)
Non-recurring expenses from depreciation, amortization, and allowances to provisions	-	
Non-recurring expenses	(20,993)	(462)
Net non-recurring income (loss)	**(13,354)**	**1,716**
Employee profit-sharing	(684)	(727)
Income taxes	9,309	9,859
Total income	126,458	115,065
Total expenses	(120,891)	(124,146)
Profit (loss)	**5,567**	**(9,081**
Earnings per share (in euros)	0.40	(0.65)
Income before tax per share (in euros)	(0.27)	0.06
Income before special items and tax per share (in euros)	0.74	(1.42)

5.3 Notes to the parent company financial statements

5.3.1 | Basis of accounting

The annual financial statements have been prepared in accordance with the provisions of French law and regulations.
General accounting principles have been applied in accordance with the principle of conservatism and the following principles:

- A going concern basis;
- The consistency of accounting methods from one fiscal year to another;
- The accrual principle.

Cost is the method used by default to measure items in the financial statements.

5.3.2 | Methods applied

Intangible assets

Cegedim SA's intangible assets mainly consist of commercial goodwill, development costs, and software purchases.

Commercial goodwill

Commercial goodwill is recorded at cost and tested annually for impairment.

Development expenses

Cegedim incurs costs in connection with development of software and services platforms that either make up the offerings it markets to its clients or fill an internal need.

Development costs for new projects are capitalized where the following criteria are fully satisfied (CRC Regulation No. 2004-06):

- The technical feasibility necessary to complete the intangible asset in order to use it or sell it;
- The intention to complete the intangible asset and to use or sell it;
- The ability to use or sell the intangible asset;
- The way in which the intangible asset will generate probable future economic benefits;
- The availability of appropriate resources (technical, financial, and other) to complete development and use or sell the intangible asset;
- The ability to reliably measure the costs related to the intangible asset during its development.

If one of these criteria is not satisfied, development costs are expensed in the fiscal year during which they are incurred.

Development costs include all expenses that can be directly related to the intangible asset (notably wages, outsourcing, and other directly related costs) that are necessary to create it, produce it, and prepare it so that it operates in accordance with the use planned by the management. These costs are recorded in the relevant expense account during the year. At the closing, they are transferred to development costs and an adjusting entry is made in the capitalized production account.

Amortization is calculated using the straight-line method from the date of initial use of the relevant asset and is calculated over its expected useful life.

Acquired assets

Acquired intangible assets are measured at cost and amortized using the straight-line method over their expected useful life.

They comprise intangible fixed assets (such as software purchased from outside companies) and property, plant, and equipment (mainly technical equipment and IT equipment).

Impairment testing

Although these intangible assets are amortized, their value is also monitored on an individual basis. This monitoring is based on indications of a possible loss in value, for example, in the expected productivity of the asset or commercial markets. If there is any indication of a loss in value, Cegedim SA performs an impairment test that may lead to recognition of an additional impairment loss. This test is based on assumptions concerning discount rates and future cash flows estimated based on the expected productivity of projects and their commercial markets.

Tangible assets

Tangible assets acquired are measured at cost and depreciated over their expected useful life. Cost is the basis used for computing depreciation. The useful life of these assets is reviewed periodically and may be adjusted prospectively as circumstances require.

Cegedim SA's property, plant, and equipment chiefly consist of IT equipment, fixtures, and fittings.

The depreciation periods and methods applied are generally as follows:

IT Equipment

- Desktop PCs: between three and four years; straight-line method.
- Server systems: between five and fifteen years; straight-line method.

Fixtures and fittings

Fixtures and fittings have a useful life of 8 to 15 years (8 years in most cases). Depreciation is calculated on a straight-line basis.

Investments and other securities

Financial assets are accounted for at their gross value. It reflects their cost, excluding incidental acquisition expenses.

Financial assets are tested for impairment when events occur that could cause a prolonged reduction in their value.

The goal of this test is to identify situations where their recoverable amount falls below their carrying amount. In this case, an impairment loss is recognized for the value of the difference.

Recoverable amount is defined as the higher of an asset's fair value less costs to sell and its value in use.

- An asset's value in use is calculated using either the share of the net position held in these investments or estimates of the present value of future cash inflows and outflows from the activities carried out by these investments.
- An asset's fair value is calculated by reference to stock market peers or the results of recent transactions involving comparable companies operating in the same business sector.

Treasury shares

Treasury shares held pursuant to authorization granted by the General Meeting are measured at cost and recognized as financial assets or short-term investments, depending on their nature. An impairment loss is recognized if the average price over the last month of the fiscal year is lower than their purchase cost. The impairment loss reflects this difference.

That said, all the treasury shares held at December 31, 2020, are treasury shares intended for the Cegedim Group's employees (see Note 23) and have thus been accounted for as short-term investments, and so there are no grounds for the recognition of any impairment.

Trade receivables	Receivables are stated at their nominal value. An impairment loss is recognized when the fair value, based on the probability of collection, is lower than the carrying amount. Receivables due from clients in administration or court-ordered liquidation are thus systematically fully impaired, and those more than six months past due are monitored on a case-by-case basis and, if necessary, impaired to reflect the estimated collection risk.
Provisions and contingent liabilities	A provision is recorded where the Company has a present obligation as a result of past events, it is probable that an outflow of cash or other economic resources will be required to settle the provision, and the amount of the provision can be estimated reasonably. An obligation is classified as a provision where there is uncertainty regarding the timing and amount of the outflow of resources. Provisions are estimated on a case-by-case basis or statistically when they include a large number of items. Cegedim's main provisions (excluding payments due upon retirement) have been set aside to cover employee, client, and supplier litigation.
Pension obligations	Cegedim SA applies the arrangements laid out in ANC recommendation No. 2013-02 dated November 7, 2013, on the measurement of pension obligations and similar benefits. The Company's actuarial liabilities are calculated using the projected credit unit method on the basis of measurements that include assumptions concerning wage increases, inflation, life expectancy, employee turnover, and returns on the corresponding investments. Changes resulting from periodic adjustments to the actuarial assumptions listed above to reflect general financial and economic or demographic conditions are recognized in the income statement. Pension obligations are recognized as a provision for charges, and Cegedim SA has elected to recognize actuarial gains and losses in the income statement. Cegedim SA's obligations are partially covered by funds paid to an external financial partner; the value of these dedicated investments is therefore deducted from the total obligation on the liabilities side of the balance sheet.
Revenue recognition	Cegedim SA's revenue consists primarily of services, plus any sales of software and hardware. Software and equipment sales Sales arising from new unlimited or time-limited software licenses are recognized (provided that Cegedim does not have any other obligations) (1) when an agreement has been reached with the client, (2) delivery and acceptance have been completed, (3) the amount of the revenue and related expenses can be measured reliably, and (4) the economic benefits resulting from the transaction will flow to Cegedim. If one of these four criteria is not met, the recognition of revenue from the software license is deferred until all the criteria are met. **Service revenue** The main categories of services and methods of revenue recognition are as follows: - Subscription payments generally have to be made for access to Cegedim databases, with charges billed periodically (monthly, quarterly or annually); revenue is then recognized on a linear basis over the considered period; - Standard and specific studies provided by Cegedim are recognized upon delivery to clients; - Data processing (projects) performed for clients is recorded on a pro rata temporis basis when the service is provided; - Support services (assistance, maintenance, etc.) are generally provided under an annual contract on a flat-rate basis reflecting the costs incurred and resources actually deployed by Cegedim to deliver these services. Income from these contracts is recorded on a pro rata temporis basis over the term of the relevant contract.

Foreign currency transactions	Income and expenses denominated in foreign currencies are recorded at their euro-equivalent value on the date of the transaction. Assets and liabilities denominated in foreign currencies appear on the balance sheet at their euro-equivalent value at the end of the financial year. Gains and losses resulting from the translation of foreign currency assets and liabilities at the year-end exchange rate are shown in the balance sheet under "unrealized currency gains or losses". Unrealized, unhedged exchange losses are covered by a provision for risks.
Bond issue expenses	In 2016, the €7,608,000 in issue expenses incurred on the €200,000,000 RCF issue were deferred over the RCF's remaining life to reflect the arrangements for its redemption (i.e., by its maturity on March 30, 2021). In 2018, the entire cost of issuing the €200 million RCF—i.e. €922,000—was written back. The cost of issuing the new €135 million RCF and €65 million Euro PP—i.e. €549,000—was deferred over the remaining life of these facilities to reflect the arrangements for its redemption. The amortization charge in financial year 2020 was €262,000.
Statutory Auditors' fees (Decree No. 2008-1487 dated December 30, 2008)	Information about the fees paid to the Statutory Auditors is disclosed in the notes to Cegedim SA's consolidated financial statements.

5.3.3 | Additional information

Note 1 | Non-current assets

In thousands of euros	12/31/2019	Pots-to-post Reclassifications	Acquisitions contributions	Disposals Exits	12.31.2020
Development costs[(1)]	4,191	(3,122)	5,122	-	6,191
Other intangible assets[(2)]	39,399	3,765	196	-	43,360
Other intangible assets in progress	643	(643)	1,251	-	1,251
Intangible assets, gross	44,233	-	6,569	-	50,802
Buildings on land owned by third parties	-	-	-	-	-
Buildings & general installations	3,197	-	-	-	3,197
Plant and equipment	4,643	-	342	(128)	4,857
Office and IT equipment, furniture	715	-	105	-	820
Property, plant, and equipment in progress	-	-	-	-	-
Property, plant, and equipment, gross	8,555	-	447	(128)	8,874
Other investments[(3)]	438,519	37,900	6,000	(20,994)	461,425
Loans and other financial assets[(4)]	37,292	(37,900)	40,545	(12,367)	27,570
Financial assets, gross	475,811	-	46,545	(33,361)	488,995
Total non-current assets, gross	**528,598**	**-**	**53,562**	**(33,489)**	**548,671**

1) Over the course of 2020 Cegedim SA implemented internal development projects worth €3,765,000 and at the closing recorded a total of €6,191,000 of capitalized development costs for the period.

The main commercial project was the digitization platforms that underpin the e-business division's offering. The average amortization period for projects developed for this division is five years.

2) The "Other intangible assets" account consists mainly of:

- €5,071,000 in commercial goodwill carried at cost and tested annually for impairment;
- €34,078,000 in internally developed software;
- €717,000,000 in externally developed software.

3) In 2020, the increase in "Other investments" is related to the €6,000,000 investment in CLAMAE Groupe.

4) The "Loans, other financial assets" account holds €1,957,000 in security deposits, €23,706,000 in loans to subsidiaries, and €1,907,000 in construction loans.

The standard characteristics of the loans granted to subsidiaries are:

- An annual interest rate of 1.4% for new loans to subsidiaries in and outside France;
- Various different terms;
- No automatic renewal clause or other specific clauses.

Note 2 | Depreciation and amortization

In thousands of euros	12/31/2019	Allowances	Reversals	12/31/2020
Development costs	-	-	-	-
Other intangible assets (1)	26,412	3,435	-	29,847
Other intangible assets in progress		-	-	-
Amortization of intangible assets	26,412	3,435	-	29,847
Buildings on land owned by third parties	0	-	-	-
Buildings & general installations	2,929	267	-	3,196
Plant and equipment	2,986	424	(128)	3,281
Office and computer equipment	481	41	-	522
Depreciation of tangible assets	6,396	732	(128)	6,999
Total depreciation and amortization	**32,808**	**4,167**	**(128)**	**36,847**

In thousands of euros	Straight-line	Declining balance	Accelerated allowances	Accelerated reversals
Development costs				
Other intangible assets	3,435			
Other intangible assets in progress				
Intangible assets	3,435			
Buildings on land owned by third parties				
Buildings & general installations	267			
Plant and equipment	424			2
Office and computer equipment	41			
Tangible assets	732			
Total allowances	**4,167**			

(1) Amortization of internally developed software totaled €25,805,000 at 12/31/2020

Note 3 | Provisions

In thousands of euros	12/31/2019	Allowances	Reversals used	Reversals not used	12/31/2020
Accelerated depreciation	2			(2)	-
Tax-regulated provisions	**2**			**(2)**	**-**
Provisions for litigation	50	20	(3)	(17)	50
Provision for currency losses	34	259		(34)	259
Provisions for pensions and related obligations	3,320	597	(39)		3,878
Provisions for shares awarded to employees	951	829		(538)	1,242
Other provisions for liabilities and charges	0	550			1,398
Provisions for risks on investment securities	0	848			-
Provisions for liabilities and charges	**4,355**	**3,103**	**(42)**	**(589)**	**6,828**
Investment securities (1)	170,241	7,123		(12,117)	165,248
Other financial assets	0	1,618			1,618
Provisions for inventories and work in progress	0				-
Provisions for impairment of trade receivables	1,388	1,087	(2)	(274)	2,199
Other provisions for impairment	111	141		(111)	141
Provisions for impairment of internally developed software	0				-
Provisions for impairment	**171,740**	**9,969**	**(2)**	**(12,502)**	**169,205**
Total provisions	**176,097**	**13,073**	**(44)**	**(13,093)**	**176,033**
Allowances to and reversals of provisions for operating items		3,083	(44)	(829)	
Allowances to and reversals of provisions for financial items		9,990		(12,262)	
Allowances to and reversals of provisions for non-recurring items				(2)	

Note 4 | Maturity of assets and liabilities

In thousands of euros	Gross	Up to one year	Over one year
Accrued interest on investments			
Loans	25,613		25,613
Other financial assets	1,957		1,957
Doubtful or disputed trade receivables	899	899	
Other trade receivables	18,991	18,991	
Employees and related	156	156	
Social security and other social agencies	57	57	
Government: corporate income taxes	3,118	3,118	
Government: value added tax	819	819	
Government: miscellaneous receivables	2	2	
Group and shareholders	2,520	2,520	
Miscellaneous receivables	330	330	
Prepaid expenses	992	992	
Total receivables	**55,454**	**27,884**	**27,570**
Loans granted during the fiscal year	40,442		
Repayments received during the fiscal year	50,267		

In thousands of euros	Gross	Up to one year	Between 1 and 5 years	Over five years
Other bonds				
Bank overdrafts	79,384	79,384		
Loans with an initial maturity of over 1 year	136,122	1,122	135,000	
Miscellaneous borrowings and financial liabilities	47,051	132	46,919	
Trade payables	9,977	9,977		
Employees and related	5,505	5,505		
Social security and other social agencies	4,075	4,075		
Government: value added tax	3,595	3,595		
Government: other income tax, and other related taxes	873	873		
Group and shareholders	7,950	7,950		
Other financial liabilities (1)	251	251		
Prepaid income	700	700		
Total financial liabilities	**295,483**	**113,564**	**181,919**	
Borrowings arranged during the fiscal year	1,527			
Borrowings repaid during the fiscal year	21,306			

Note 5 | Financial debt

In thousands of euros	12/31/2020	12/31/2019
Long-term financial borrowings and financial liabilities (> 5 years)		190,094
Medium-term borrowings and financial liabilities (> 1 year, < 5 years)	181,919	1,641
Short-term borrowings and financial liabilities (> 6 months, < 1 year)	1,122	1,111
Short-term borrowings and financial liabilities (> 1 month, < 6 months)	132	108
Short-term borrowings and financial liabilities (< 1 month)		10,000
Bank overdrafts	79,384	58,625
Total financial liabilities	**262,557**	**261,579**
Cash	42	5
Net financial debt	**262,515**	**261,574**

Financing

In May 2007, Cegedim borrowed €50.0 million, the FCB Loan, from its largest shareholder, FCB. During the December 2009 capital increase, FCB subscribed for €4.9 million equivalent in shares as a redemption of a portion of the debt, which decreased the balance of the FCB Loan to €45.1 million. On October 9, 2018, the FCB Loan was amended in order to subordinate it to the €135 million Euro PP bond and to the €65 million bank revolving credit, and to extend the maturity date and modify the applicable interest rate.

On October 8, 2018, Cegedim issued a private placement Euro PP, maturing on October 8, 2025, for an amount of €135 million.

On October 9, 2018, the Group arranged a bank revolving credit facility (RCF) of €65 million maturing on October 9, 2023 with a one-year extension option. Cegedim asked to exercise the extension option in December 2019 and the banks agreed. The RCF maturity date is now October 9, 2024

At December 31, 2020, the debt was structured in the following manner:

- 135 million Euro PP maturing on October 8, 2025;
- €65 million revolving credit, undrawn, maturing on October 9, 2024;
- €45.1 million FCB Loan maturing on November 20, 2025;
- €24.0 million overdraft facility, undrawn

Exposure of the debt to fluctuations in euro interest rates has been partially hedged by a euro rate hedge.

As of December 31, 2020, the Group's hedging against euro interest rate movements consists of a zero-premium swaps in which it receives the one-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays fixed rates of 0.2680% for a notional amount of €50 million, starting on February 28, 2017, and maturing February 26, 2021.

The notional amount hedged at December 31, 2020 is €50.0 million.

Interest expense on bank loans, bonds, charges, and commissions totaled €5 million at December 31, 2020.

In accordance with the ANC 2015-05 regulation of July 2, 2015, hedging gains and losses are recognized under financial expenses in the same period and manner as interest on the hedged bonds.

Note 6 | Bond issue costs

In thousands of euros	12/31/2019	Increase	Allowances	12/31/2020
Bond issue costs	1,228		262	966

In 2016, issue expenses related to the €200 million RCF, i.e. €1,422,000, were deferred over the remaining maturity of the loan to reflect the arrangements for its redemption (i.e., through to its maturity date on March 30, 2021).

In 2018, all issue expenses related to the €200 million RCF, i.e. €1,922,000, were written back.

Issue expenses related to the €135 million Euro PP and €65 million RCF, i.e. €1,549,000, were deferred over the remaining maturity of the loan to reflect the arrangements for its redemption.

The deferred amount in fiscal year 2020 was €262,000.

Note 7 | Pension obligations

In thousands of euros	Through an insurance fund	Through a provision for charges
Pension plan obligations	1,903	3,878

When employees retire, they receive a retirement benefit as specified in the collective bargaining agreements.

An actuarial plan has been set up to fund the obligations arising from these benefits. The total obligation stands at €5,781,206, of which €1902,921 is covered by payments to an insurance company.

The actuarial assumptions used are as follows:

Economic assumptions

Net interest rate: 0.34 %

Rate of salary inflation: 2.5 % including inflation.

Demographic assumptions

Mortality: Insee 2012–2016 tables for males/females

Turnover rate: 8.5% per year up to the age of 35

5% after the age of 45

2.8% up to the age of 50

1% for employees aged 51 or over

Retirement age: voluntary retirement at 65 years of age for non-management grade employees and voluntary retirement at 65 years of age for management-grade employees.

Collective bargaining agreement

Cegedim falls under the purview of the national collective bargaining agreement for the pharmaceutical industry.

Note 8 | Statement of changes in equity

In thousands of euros	Share capital	Premiums	Statutory reserve	Regulated reserves	Other reserves	Retained earnings	Profit (loss) for the period	Tax-regulated provisions	**Total**
At 12/31/2017[1]	**13,337**	**29,992**	**1,334**	**265**	**5,072**	**0**	**3,285**	**60**	**53,345**
Capital increase									0
Reduction in capital									0
2017 profit (loss)					3,385		(3,285)		0
Dividends									0
Retained earnings									0
Reclassification of reserves				3,628	(3,628)				0
Unrecognized prior service cost									0
Tax-regulated provisions								(36)	(36)
2018 profit (loss)							24,723		24,723
At 12/31/2018[1]	**13,337**	**29,992**	**1,334**	**3,893**	**4,729**	**0**	**24,723**	**24**	**78,032**
Capital increase									0
Reduction in capital									0
2018 profit (loss)					24,723		(24,723)		0
Dividends									0
Retained earnings				(261)	261				0
Reclassification of reserves									0
Unrecognized prior service cost									0
Tax-regulated provisions								(22)	(22)
2019 profit (loss)							(9,081)		(9,081)
At 12/31/2019[1]	**13,337**	**29,992**	**1,334**	**3,632**	**29,713**	**0**	**(9,081)**	**2**	**68,929**
Capital increase									0
Reduction in capital									0
2019 profit (loss)					(9,081)		9,081		0
Dividends									0
Retained earnings				980	(980)				0
Reclassification of reserves									0
Unrecognized prior service cost									0
Tax-regulated provisions								(2)	(2)
2020 profit (loss)							5,567		5,567
At 12/31/2020	**13,337**	**29,992**	**1,334**	**4,612**	**19,652**	**0**	**5,567**	**0**	**74,494**

(1) Equity prior to appropriation.

Note 9 | Items recognized under several balance sheet and income statement items

In thousands of euros	Consolidated companies	Investments	Affiliates
Non-current assets			
Dividends due			
Investments	460,244	1,181	
Loans			
Current assets			
Trade receivables and related accounts	3,164	3,929	1
Other receivables	2,520		
Liabilities			
Financial liabilities	(990)		(45,103)
Trade payables and related accounts	(3,424)	(944)	(709)
Other financial liabilities	(8,365)		(38)
Financial			
Financial expenses	(297)	(5)	(1,311)
Financial income	561		
Operating			
Management fees			(1,969)
Rent	-51		(5,590)

Note 10 | Revenue breakdown

In thousands of euros	**Revenue, France**	**Revenue, outside France**	**Total revenue at 12/31/2020**
Sales of goods held for resale	-	-	-
Production of goods	35		35
Production of services	77,146	2,761	79,907
Total revenue	**77,181**	**2,761**	**79,942**

Note 11 | Breakdown of accrued income

In thousands of euros	12/31/2020
Dividends due	-
Accrued interest on investments	**-**
Trade receivables, unbilled receivables	3,199
Trade receivables and related accounts	**3,199**
Suppliers, credit notes due	324
Amounts due from employees	-
VAT and amounts due from government	2
Subsidiaries, repayment of capital due	-
Other receivables	**326**
Total accrued income	**3,525**

Note 12 | Breakdown of accrued expenses

In thousands of euros	12/31/2020
Accrued interest payable on borrowings	1,122
Accrued interest payable on investments	31
Borrowings and financial liabilities	**1,153**
Suppliers, accruals for goods and services received but not invoiced	2,613
Trade payables and related accounts	**2,613**
Provision for paid leave	2,426
Reduced work time provision	582
Provision for CET leave	67
Other accrued personnel expenses	5,242
Government, VAT, and accrued expenses	860
Tax and social security liabilities	**9,177**
Subsidiaries, capital repayment due	-
Accrued expenses	11
Trade receivables–credit notes due	10
Total	**12,964**

Note 13 | Breakdown of prepaid expenses and income

In thousands of euros	**12/31/2020**
Tolling	32
Rent & rental expenses	216
Software royalties	383
Software maintenance	87
Subscriptions	28
Training	133
Advertising	10
Payroll costs	-
Recruitment	64
Other	39
Total prepaid expenses	**992**
Service revenue	700
Financial income	-
Total prepaid income	**700**

Note 14 | Non-recurring expenses and income

In thousands of euros	**12/31/2020**
Penalties, tax and criminal fines	-
Carrying amount of intangible assets sold	-
Carrying amount of tangible assets sold	-
Carrying amount of financial assets sold	20,993
Other non-recurring charges	-
Accelerated depreciation and amortization	-
Total non-recurring expenses	**20,993**
Gain on disposal of intangible assets	-
Gain on disposal of tangible assets	-
Gain on disposal of financial assets(1)	7,637
Other non-recurring income	-
Reversal of accelerated depreciation	2
Reversal of non-recurring impairment losses	-
Reversal of impairment of investments and related risks	-
Total non-recurring income	**7,639**

(1) Related to the disposal of alliance Software shares.

Note 15 | Net financial income (expense)

In thousands of euros	12/31/2020	12/31/2019
Allowances/reversals for financial items[1]	2 272	(32,161)
Interest expense and income	(6 333)	(6,442)
Dividends received	17 896	21,968
Other financial income and expense (incl. foreign exchange gains and losses)[2]	3	(32)
Net financial income (expense)	**13 838**	**(16,667)**

(1) Mainly comprises impairment losses on investment securities as stated in Note 3

Note 16 | Tax consolidation group

Cegedim SA is the ultimate controlling party of the Group.

The following companies are members of Cegedim SA's tax consolidation group:

- Alliadis, Alliance Software, CLM, Cegedim Activ, Cegedim Cloud, Cegedim Ingénierie, Cegedim Outsourcing, Cegedim SRH, Cetip, Docavenue, Futuramedia Group, GERS SAS, Incams, Medexact, Pharmastock, Resip, CMedia, RMI, Cegedim holding Santé, Cegedim SRH Montargis, I Assurances, Santestat, Rue De La Paye, BSV, Cosytec, Cegedim Assurance Conseil.

The tax consolidation group generated total taxable income of €15,960,000 at December 31, 2020.

The taxable expenses totaled €13,885,000 and were those incurred by the tax consolidation group's companies in profit.

Cegedim, the parent company, recorded a taxable income of €13,885,000, corresponding to the tax benefit arising from the loss-making consolidated subsidiaries, capped at the amount of the income tax expense.

Note 17 | Analysis of income taxes

In thousands of euros	Profit before tax	Tax due	Net profit after tax
Income before non-recurring items	10,297	(4,576)	5,720
Tax benefit		13,885	13,885
Short-term non-recurring income (expense)	(13,354)		(13,354)
Employee profit-sharing	(684)		(684)
Tax related to past fiscal years			
Withholding tax			
Book profit	**(3,742)**	**9,309**	**5,567**

Note 18 | Deferred taxes

The following expenses deductible for tax purposes in future fiscal years were incurred in the 2020 fiscal year:

- Organic levy: €98,000;
- Investments: €684,000;
- Provision for retirement benefits: €597,000;
- Other provisions not deductible for tax purposes: €1,084,000.

Deferred taxes corresponding to €789,000 (with an income tax rate of 32.02%).

Note 19 | Expenses not deductible for tax purposes

Pursuant to the provisions of articles 223 *quater* and 223 *quinquies* of the French General Tax Code, it should be noted that the financial statements for the year ended include €535,191 of expenses not deductible for tax purposes. The tax corresponding to said expenses and charges amounted to €171,368.

Note 20 | Advances paid to senior executives

Pursuant to article L. 225-43 of the French Commercial Code, no advances or loans were granted to the Company's senior executives.

Note 21 | Remuneration of senior executives and directors

Directors' fees paid to Board members came to €148,000 in 2020 and are recorded under "Other expenses" in the income statement.

In thousands of euros	12/31/2020	12/31/2019
Short-term benefits (wages, bonuses, etc.)	**(1,035)**	(1,319)
Post-employment benefits	None	None
Severance pay	**None**	None
Benefits recognized	**(1,035)**	**(1,319)**
Termination benefits	None	None
Benefits not recognized	**None**	**None**

Note 22 | Breakdown of share capital

Shareholders	No. of shares held	% held	No. of single votes	No. of shares with double voting rights	No. of votes counting double	Total votes	% of voting rights
FCB	7,467,721	53.35%	82,132	7,385,589	14,771,178	14,853,310	68.33%
Bpifrance Participations	287,221	2.05%	0	287,221	574,442	574,442	2.64%
Free float	6,067,901	43.35%	5,999,994	67,907	135,814	6,135,808	28.23%
Cegedim[1]	174,330	1.25%	0	0	0	0	0.80%
Total	**13,997,173**	**100.00%**	**6,082,126**	**7,740,717**	**15,481,434**	**21,563,560**	**100.00%**

(1) Including the liquidity contract

Class of shares	Number of shares				Nominal value	
	At end of fiscal year	Issued during the fiscal year	Issued through stock split	At beginning of the fiscal year	At end of fiscal year	At beginning of the fiscal year
Common shares	13,997,173			13,997,173	0.9528	0.9528

Note 23 | Treasury shares

15,221 shares with a value of €590,000 were definitively awarded in June 2020 under the plan dated June 28, 2018.
2,897 shares with a value of €112,000 were definitively awarded in June 20 under the plan dated June 20, 2017.

Note 24 | Identity of Cegedim's parent company: FCB

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Siren code: 340 651 132
A corporation (SA) held primarily by Mr. Labrune, his family, and by certain members of the Board of Directors of Cegedim SA.

Note 25 | Free share awards

The Board of Directors acted on June 28, 2018, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The Board of Directors acted on January 29, 2019, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The Board of Directors acted on Januray 27, 2020, on the authorization given by the Extraordinary Shareholders' Meeting of June 19, 2018, to issue to Cegedim Group's directors and employees at no cost a total number of shares not exceeding 10% of the total number making up the share capital.

The main characteristics of these plans are as follows:

- The free shares awarded will carry the right to receive dividends, payment of which has been decided upon at their date of grant.
- The plan dated June 28, 2018, authorized a maximum award of 21,790 free shares.
- The plan dated January 29, 2019, authorized a maximum award of 22,190 free shares.
- The plan dated January 27, 2020 authorized a maximum award of 37,308 free shares.
- For the 2018, 2019, and 2020 plans, the award of these shares to grantees will become final after a vesting period of two years for grantees whose residence for tax purposes is in France at the award date, and of three years for grantees whose residence for tax purposes is not in France at the award date.
- The shares will be permanently awarded to grantees subject to a single condition: no resignation, dismissal, or layoff.
- Effective the final award date, grantees whose residence for tax purposes is in France at the award date must hold their shares for a lock-up period of one year.

The expense measuring the benefit granted to employees is recognized on a straight-line basis over the vesting period.

At the year-end date of December 31, 2020, Cegedim SA recognized a provision of €1,242 in its financial statements.

Note 26 | Workforce

	12/31/2020
Management	267
Non-management	86
Trainees	12
Corporate officers	3
Total salaried staff	**368**

Note 27 | Off-balance sheet commitments

Guarantees given by Cegedim to its subsidiaries

All subsidiaries

- One-year authorization for all subsidiaries to provide security deposits, endorsements, and other guarantees for an overall amount of €20 million, with no single commitment exceeding €6 million (authorization of the Board of Directors on March 19, 2020).

Note 28 | Other income

Other income consists of €755,000 recharged to subsidiaries in relation to the free shares plan and €108,000 in miscellaneous current income.

Note 29 | Transfers of expenses

The €33,000 in transfers of expenses consist mainly of expenses recharged to subsidiaries.

Note 30 | Highlights of the fiscal year

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

The Covid-19 Pandemic

Cegedim's senior management prioritized employee health and safety and business continuity right from the onset of the Covid-19 crisis.

It took less than a week to set up remote working and we were able to pursue all our activities under good conditions, without service interruption. Senior management kept in close touch throughout the crisis and called on the central service departments to monitor Cegedim SA's own activities (e-business and Cegedim.cloud) and coordinate the Group activities it spearheads. These meetings continued all through the year.

Cegedim.cloud's activities proved particularly resilient in 2020 and continued to grow at the expected pace. The e-business activities—which involve long and complex project phases and require large-scale change management—were affected as clients asked to postpone the rollout of the most transformational projects. As a result, business slowed during the first lockdown. Flow volumes processed through the digitization platforms gradually returned to normal, except for flows for clients in the hardest hit industries.

Product development plans continued to run on schedule.

There is no change in the presentation of financial statements compared with the previous financial year. Cegedim has little exposure to credit and liquidity risks. It has no debt maturing before October 2024, an undrawn €65 million revolving credit facility at December 31, 2020, and overdraft facilities. The covenants are respected, and senior management considers the risk of a breach of covenant unlikely in the coming months.

Business continuity was not compromised—at any time—by the Covid-19 crisis.

Tax	On February 21, 2018, Cegedim SA received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1, 2015, to December 31, 2016. After consultation with its lawyers and based on ample precedent, the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision. The maximum tax liability Cegedim faces as a result of the current audit is €13.7 million at December 31, 2020. Cegedim still believes that there is not enough risk with respect to this amount or to tax loss carryforwards recorded on its consolidated balance sheet (corresponding to €20 million) to jeopardize their valuation.
Acquisition of a minority stake in Clamae	CCegedim has acquired a minority stake of 34% in the Clamae Group via a €6 million reserved capital increase. Clamae has a subsidiary that specializes in innovative payment systems made possible under the EU's PSD2 framework. The technologies Clamae has developed will be put to good use in nearly all of Cegedim Group's products and services (health insurance products, data management and digitization, and apps for healthcare professionals.
Internal reorganization	Cegedim SA has sold its stake in its subsidiary Alliance Software to another subsidiaryowned at 100% by Cegedim SA.
The Euris lawsuit	CCegedim, jointly with IQVIA (formerly IMS Health), is being sued by Euris for unfair competition. Cegedim asked the court to dismiss the case against the Group. On December 17, 2018, the Paris Commercial Court granted Cegedim's request. IQVIA has appealed the decision. The cross-appeal was ruled to be admissible in a decision issued September 9, 2020. As a result, Cegedim will be obliged to relitigate the fundamental argument that won the lower court case. Euris is asking for €150 million in damages. After consulting with its external legal counsel, the Group has decided not to set any provisions aside to cover the risk.

Note 31 | Post-closing events

To the best of the company's knowledge, there were no post-closing events or changes that would materially alter the Group's financial situation..

5.3.4 | List of shareholdings as of December 31, 2020

Company	Number of shares	% owned	Net value
Companies owned in France			**223,092,834**
Alliadis	8,161	100.00%	4,615,000
Alliance Software	1,000	100.00%	1,256,190
BSV	873,900	100.00%	48,366,000
Cegedim Activ	10,000	100.00%	5,000,000
Cegedim Assurances Conseil	799,276	92%	7,000,100
Cegedim Cloud	1,000	100.00%	34,082,691
Cegedim Logiciel Medicaux	25,000	100.00%	4,809,871
Cegedim Outsourcing	9,776,601	100.00%	22,450,632
Cegedim SRH	39,340	99.74%	1,215,767
Cetip	1,000	100.00%	22,000,000
Docavenue	200	20.00%	3,049
Edipharm	50	100.00%	1,871,428
Gers SAS	10	100.00%	260,449
I-assurances	2,500	100.00%	7,796,027
Incams	833	16.66%	8,330
Isiakle GIE	6,549	100.00%	654,900
Medexact	5,000	100.00%	219,294
Pharmastock	1,600	100.00%	20,434,710
Resip	26,000	100.00%	29,964,694
C-Media	1,000	100.00%	3,055,824
Cegedim Holding Santé	159	68.83%	846,739
SCI 2000	126,170	4.87%	867,567
Netfective Technology	240	20.00%	13,332
Nex & Com	417	15.01%	300,240
Ceido	5,441	34.09%	6,000,000

Company	Number of shares	% owned	Net value
Companies owned outside France			**73,085,068**
Activus	300	100.00%	3,870,144
InPractice Systems (Angleterre)	14,000,000	100.00%	1
Thin (Angleterre)	100	100.00%	0
Cegedim World Int. Services Ltd	60,000,000	100.00%	5,722
Cegedim Internal Services Ltd	60,000,000	100.00%	53,735,784
Croissance 2006 (Belgique)	13,781	100.00%	6,242,793
Cegedim Belgique	2,999	99.97%	999,768
Cegedim Outsourcing Maroc	1	0%	100
Cegedim Egypte	999	99.90%	4,807
Ximantix Software Gmbh	150,000	100.00%	8,225,949
Total investments, net			**296,177,902**

Company	Number of shares	% owned	Net value
	I		**296,177,902**
Other long-term securities	II		
French companies			
Listed securities			None
Companies outside France			**None**
Short-term investments	III		
Shares allocated to employees			4,612,421
Kepler Cheuvreux liquidity contract			500,000
Total	**I + II + III**		**301,290,323**

5.3.5 | Table of subsidiaries and investment holdings over 50%-owned subsidiaries

Subsidiary	Share capital[1]	Equity other than share capital[1]	% control	Book value of shares held, gross	Provision for impairment in securities	Net value of shares held	Loans and advances granted but not repaid, net		Revenue excluding VAT[2]	Profit (loss) for the period[2]	Dividends received
Cegedim Outsourcing	2,500	1,421	100.00	5,553	743	4,810			23,780	1,170	888
Gers SAS	50	10,702	100.00	1,871	0	1,871			48,756	7,627	3,786
Cetip	749	26,937	99.74	1,216	0	1,216			64,194	4,268	983
SCI 2000	4	663	68.83	847	0	847	200		402	249	
Incams	8,038	(242)	100.00	10,626	2,830	7,796			2,107	49	
Pharmastock	576	(357)	100.00	576	357	219			1,447	-122	
Docavenue	22,000	(19,556)	100.00	22,000	0	22,000	1,600		2,661	-9,333	
Cegedim Logiciels Médicaux	13,550	17,526	100.00	43,117	9,034	34,083			34,916	8,612	5,692
Cegedim SRH	17,000	13,363	100.00	22,451	0	22,451	1,000		69,425	7,321	
C-Media	28,030	1,770	100.00	29,965	0	29,965	10,000		31,640	1,367	1,283
Cegedim Holding Santé	2,024	32	100.00	4,015	959	3,056	1,000		25	(2)	
Medexact	37	2,272	100.00	655	0	655			6,123	467	375
Cegedim Activ	31,689	29,740	100.00	48,366	0	48,366	4,500		61,076	340	
Resip	159	4,415	100.00	20,435	0	20,435			12,396	4,060	2,791
Alliadis	11,547	(13,759)	100.00	67,224	62,609	4,615			25,295	(3,746)	
I-Assurances	505	(245)	100.00	505	245	260			3,702	57	
Cegedim Cloud	8,688	1,148	92.00	7,000	0	7,000			32,836	685	2,017
Cegedim Assurances Conseil	5,000	471	100.00	5,000	0	5,000			4,074	211	
BSV	125	(114)	100.00	1,889	633	1,256			1,405	(243)	
Clamae	16	2,830	34.09	6,000	0	6,000			2,551	(812)	
Activus	0	(2,636)	100.00	11,279	7,409	3,870	1,207		7,673	(2,602)	
Cegedim Belgique	1,000	661	99.97	1,000	0	1,000			0	(271)	
Croissance 2006 Belgique	1,378	8,439	100.00	6,243	0	6,243			0	114	
Cegedim World Int.Services Ltd	73,982	(73,976)	100.00	73,982	73,976	6			0	(14)	
Cegedim Internal Services Ltd	60,000	606	100.00	60,000	6,264	53,736			0	471	
Thin	1	(850)	100,00	188	188	0		848	615	(2)	
INPS	15,572	20,163	100.00	1	0	1			20,998	(3,211)	
Cegedim Egypte	5	249	99.90	5	0	5	1,316		2,735	318	
Ximantix	150	109	100.00	8,226	0	8,226			2,322	(221)	
Total, subsidiaries more than 50%-owned				**460,233**	**165,248**	**294,985**	**20,823**	**848**	**463,154**	**16,807**	**17,815**

5.3.6 | Table of subsidiaries and investment holdings subsidiaries less than 50%-owned

Subsidiary	Share capital(1)	Equity other than share capital(1)	% control	Book value of shares held, gross	Provision for impairment in securities	Net value of shares held	Provision for loans and advances granted, but not repaid	Provision for risk	Revenue excluding VAT(2)	Profit (loss) for the period(2)	Dividends received
Edipharm	15	468	20,00	3	0	3			11,660	414	79
Netfective Technology	648	23,788	4.87	868	0	868			9,775	2,991	
Cegedim Outsourcing Maroc	211	297	0	0	0	0			4,136	(60)	
CEIDO (3)	167	1,273	15.00	300	0	300			2,101	(32)	
NEX & COM (4)	500	252	20,00	13	0	13			2,232		
ISIAKLE	50	0	16.66	8	0	8			114	0	
Total, subsidiaries less than 50%-owned											
Total				**1,192**	**0**	**1,192**			**30,018**	**3,313**	**79**

(1) The share capital and equity of subsidiaries not located in the euro zone are stated at their equivalent value in thousands of euros at the historical dates.

(2) Revenues and earnings for subsidiaries not located in the euro zone are stated at their equivalent value in thousands of euros at the annual average exchange rate for 2020

(3) 2020 revenue, profit and equity.

(4) Not disclosed, for guidance purposes, 2015 revenues stood at €2,232,000.

5.4 | Statutory Auditors' report on the annual financial statements

CEGEDIM

Fiscal year ended December 31, 2020

To Cegedim's General Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying annual financial statements of Cegedim SA for the fiscal year ended on December 31, 2020.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2017, and of the results of its operations for the year then ended in accordance with French generally accepted accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit standards

We conducted our audit in accordance with generally accepted professional standards 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 these standards are set out in the "Auditors' responsibilities for the audit of the annual financial statements" section of this report.

Independence

We performed our audit from January 1, 2020, to the date of issue of our report, in compliance with the independence rules under the commecial code and the French Code of Ethics for Statutory Auditor. We did not provide any of the services prohibited under Article 5, paragraph 1 of EU regulation No. 537/2014.

Justification of our assessments–Key audit matters

Report on the annual financial statements

The audit of the financial statements for this financial year took place amid highly unusual conditions as a result of the global Covid-19 pandemic. The ensuing crisis and unparalleled measures taken to address the health emergency impacted the businesses in various ways. It affected their revenue and their financing in particular, while also giving rise to greater uncertainties about their future outlook. Some of these measures, such as travel and teleworking restrictions, also disrupted the internal organization of the businesses and implementation arrangements for audits

financial statements

Amid this cpmplex ans shifting backfrop, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby bring to your attention the key audit matters relating to the risks of material misstatement that, according to our professional judgment, were the most significant for the audit of the annual financial statements, as well as the solutions we have put forward to address such risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed as expressed above. We do not express an opinion on specific items of the annual financial statements.

Measurement of equity security

(Sections 5.3.2 and 5.3.3 - Note 1 and 3 to the annual financial statements)

Risk identified

At December 31, 2020 the net carrying amount of the Company's non-current financial assets totaled €322 million. That compares to €377million in total assets, including €296 million in other investments and 26 million in loans and other financial assets.

As stated in Section 5.3.2 of the notes to the financial statements, investments are recognized at cost less incidental acquisition expenses, and an impairment loss is recognized if their recoverable amount falls below their carrying amount. The recoverable amount is defined as the higher of fair value less costs to sell and value in use:

- an asset's value in use is calculated using either the share of the net position held in these investments or estimates of the present value of future cash inflows and outflows from the activities carried out by these investments ;
- an asset's fair value is calculated by reference to stock market peers or the results of recent transactions involving comparable companies operating in the same business sector.

Given the high percentage of total assets accounted for by financial assets and the judgment used by management to assess the recoverable amount, we considered the measurement of financial assets to be a key audit matter.

Our response

Our work involved:

- Assessing the reasonableness of the key assumptions used for:
- comparing the value of financial assets with their recoverable value.
  - Determination of cash flows in relation to the underlying operational data;
  - The long-term growth rate of these cash flows based on the Group's economic outlook;
  - The discount rates applied in relation to market conditions.
- Confirming that the latest strategic plans established by Management and the impairment tests are consistent with the business projections that underlie the cash flow projections, in particular by interviewing Management and by comparing past estimates and actual performancee;
- Apprciating the fairness of the information provided in Sections 5.3.2.3 and 5.3.3, Notes 1 and 3 to the annual financial statements.

Measurement and recognition of development costs and internal software recognized as assets

(Section 5.3.2 and 5.3.3 – Note 1, 2 and 3 of the notes to the annual financial statements)

Risk identified

At December 31, 2020, the net carrying amount of development and internal software costs amounted to €15 million, compared with the Company's €377 million in total assets.

The development costs for new projects are capitalized only when the criteria laid down in the French Accounting Regulation Committee's regulation no. 2004-06 and stated in Section 5.3.2 of the notes to the financial statements are met. Amortization is calculated using the straight-line method from the date of initial use of the relevant asset and is calculated over its expected useful life.

The Company ensures, either at the end of each fiscal year or whenever an indication of impairment has been identified, that the carrying amount of these assets does not exceed their recoverable amount.

We have considered the measurement and recognition of development costs as assets to be a key audit matter given the degree of judgment required by Management to determine their recoverable amount, invariably based on discounted cash flow forecasts, the realization of which is by nature uncertain.

Our response

Our work included:

- assessing the compliance of procedures for examining the criteria for capitalizing development costs iwith the accounting standards in force;
- familiarizing ourselves with and testing the key controls put in place by the Company to cover the internal control process for the capitalization and monitoring of development costs and internal software;
- Confirming, using sampling techniques, that the amounts of development costs capitalized over the fiscal year are consistent with the supporting accounting evidence;
- familiarizing ourselves with and assessing the reasonableness of the data and assumptions used by management to establish the cash flow forecasts on a selection of projects, including, but not limited to, the commercial life, depreciation period, sales, profit margin, and discount rate, by holding discussions with management and by comparing future

cash flows to past performance;
- performing our own sensitivity calculations;
- Appreciatingthe fairness of the information provided in Sections 5.3.2.3 and 5.3.3 - Notes 1, 2, and 3 to the annual financial statements.

Specific verifications

We also performed the specific verifications required by legal and regulatory texts in accordance with generally accepted professional standards in France.

Information provided in the Management Report and in the other documents sent to shareholders on the financial position and the annual financial statements

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the other documents sent to shareholders on the financial position and the annual financial statements.

We attest that the information regarding payment terms cited in Article D. 441-6 of the French Commercial Code is fairly presented and consistent with the annual financial statements.

Corporate governance report

We confirm that the Board of Directors' report on corporate governance contains the information required pursuant to articles L. 225-37-4, L.22-10-10 and L. 422-10-9 of the French Commercial Code.

We verified that the information provided pursuant to article L. 22-10-9 of the French Commercial Code on the compensation and benefits paid or awarded to corporate officers and the commitments given to them is consistent with the financial statements and/or with the data used to prepare them and also, where appropriate, with the information obtained by our Company from companies controlled by it, that are included in the consolidated scope. Based on this work, we can confirm the accuracy and fair presentation of this information.

Other disclosures

In accordance with the law, we have verified that the requisite disclosures concerning acquisitions of shareholdings and controlling interests are provided in the management report.

Other verifications or disclosures required by law and the regulations

Presentation format of the annual financial statements intended for inclusion in the annual financial report

In accordance with the professional standards applicable in France, we also performed the Statutory Auditor's procedures for annual and consolidated financial statements presented in the European single electronic reporting format, verified compliance with this format as laid down in Commission Delegated Regulation no. 2019/815 of December 17, 2018, on the presentation of annual financial statements intended for inclusion in the annual financial statements as stated in Article L. 451-1-2(I) of the French Commercial Code, which the Chief Executive Officer is responsible for preparing.

Based on the procedures performed, our opinion is that the presentation of the annual financial statements intended for inclusion in the annual financial report complies in all material respects with the European single reporting format.

It is not our responsibility to verify that the annual financial statements actually included by Cegedim in the annual financial report filed with the AMF are indeed those on which we performed our procedures.

Disclosures arising from other statutory and regulatory requirements

Appointment of auditors

Mazars was appointed as Cegedim SA's Statutory Auditor by the General Meeting of April 23, 2002, and KPMG was appointed by the General Meeting of June 18, 2019.

At December 31, 220, Mazars was in its 19th consecutive year as statutory auditor, and KPMG was in its second year.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with French generally accepted 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, for disclosing matters related to the going concern, and for the appropriate application of the going concern basis of accounting, unless the plan is to liquidate the company or to cease trading.

The Audit Committee is responsible for monitoring the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit of procedures related to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the annual financial statements

Audit objective and procedure

Il It is our duty to prepare 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 performed in accordance with the standards of professional practice 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 the annual financial statements.

As specified by article L. 823-10-1 of the French Commercial Code, our engagement to audit the financial statements is not a guarantee of the viability or the quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, we exercise our professional judgment throughout an audit. Furthermore:

- we identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error; we design and perform audit procedures responsive to those risks; we 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;
- we 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;
- we evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- we conclude on the appropriateness of management 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. Our conclusions are based on the audit evidence obtained up to the date of our Statutory Auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, we issue an unqualified opinion or refuse to issue an opinion;
- we evaluate the overall presentation, structure, and content of the annual financial statements, and whether the annual financial 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 program implemented, as well as the results of our audit. We also report to it, if necessary, on any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the financial year and which are therefore the key audit matters. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set forth in particular by articles L. 822-10 to 822-14 of the French Commercial Code and 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 the related safeguards.

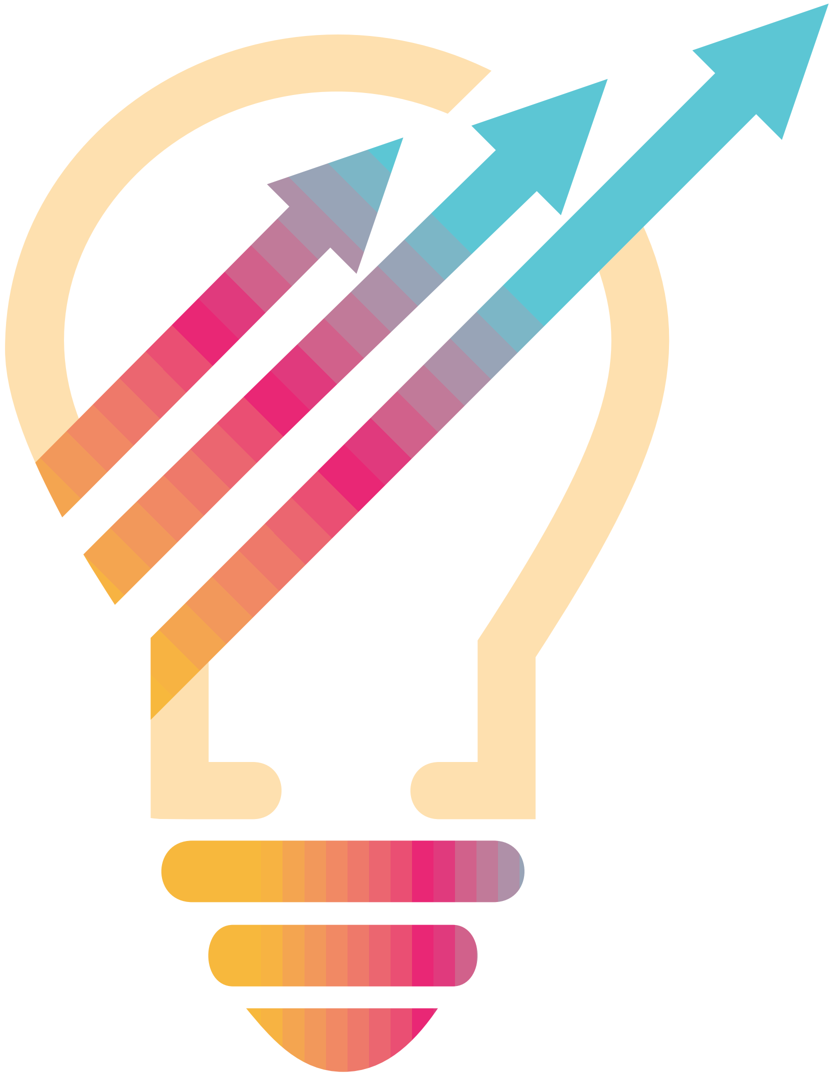
The Statutory Auditors

Paris La Défense, April 9, 2021
KMPG S.A.
Vincent de Becquevort
Partner

Courbevoie, April 9, 2021
Mazars
Jean-Philippe Mathorez
Partner

5.5 | Five-year financial summary

Reporting date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Duration of the financial year (months)	**12**	12	12	12	12
Share capital at the end of fiscal year					
Share capital	**13,336,506**	13,336,506	13,336,506	13,336,506	13,336,506
Number of					
ordinary shares	**13,997,173**	13,997,173	13,997,173	13,997,173	13,997,173
preferred shares				-	-
Maximum number of shares to be issued				-	-
through bond conversions				-	-
through subscription rights				-	-
Operations and earnings					
Revenue excluding VAT	**79,942,170**	75,880,873	67,898,751	61,176,229	51,812,477
Earnings before tax, profit sharing, and allowances to depreciation, amortization, and provisions	**505,412**	19,493,059	(24,192,248)	(63,515,232)	22,657,316
Income taxes	**(9,308,724)**	(9,859,189)	(9,473,969)	(8,433,578)	(10,946,477)
Employee profit sharing	**683,948**	726,824	555,579	429,363	347,815
Allowances to depreciation, amortization, and provisions	**3,562,846**	37,706,316	(39,996,965)	(58,796,615)	28,890,121
Profit (loss)	**5,567,342**	(9,080,892)	24,723,107	3,285,598	4,365,856
Distributed earnings					-
Earnings per share					
Earnings after tax, profit sharing, and before allowances to depreciation, amortization, and provisions	**0.65**	2.05	1.09	(3.97)	2.38
Earnings after tax, profit sharing, and allowances to depreciation, amortization, and provisions	**0.40**	(0.65)	1.77	0.23	0.31
Dividend					-
Employees					
Number of employees at December 31	**370**	343	336	292	279
Payroll	**22,302,978**	21,915,011	20,388,715	18,517,287	17,565,304
Employee benefits (social security, welfare institutions, etc.)	**10,277,275**	10,123,648	9,171,033	8,275,316	7,918,830



06

SNFP FOR 2020 CEGEDIM GROUP

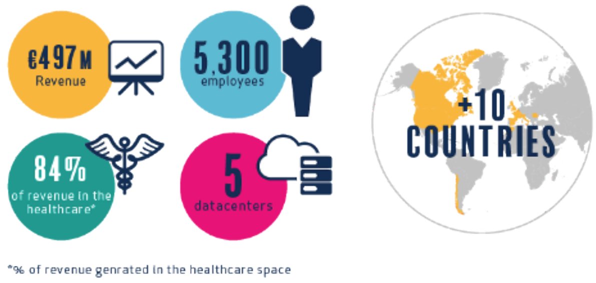
6.1 | Cegedim Group overview and core values

About us

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. The Group is also active in human resources management and digitization services for all types of industries.

Throughout our fifty-year history, we have forged rich, fruitful relationships with our partners, customers and employees, and developed a host of technological ventures prompted by society's digital transformation. What drives us is our pleasure in designing and creating new services and products.

Despite tough conditions in 2020, we showed our resilience with virtually stable revenues. The reason for the resilience is our unique position within the healthcare ecosystem, our recurring businesses, and our sustained investment in innovation. The fact that the French government decided to supply Covid-19 vaccination centers with our Maiia appointment scheduling solution will tremendously increase our name recognition. Although 2021 looks like it will be a tricky year, we are confident that we will be able to top our 2020 performance.



Our values

Cegedim Group's growth strategy is based on a high standard of innovation, quality, and investment and on strong core values that start with the men and women who drive it. We believe in fairness, respect for others, environmental protection and business efficiency, and these values help us achieve one of our top goals—delivering strong added value to our clients, partners, shareholders, and employees. These values unite all our stakeholders.

Innovation

Cegedim is dedicated to creating products using the most advanced technologies and to spurring its talented employees to develop innovative products and services.

Ethics

Respecting current regulations and acting ethically are integral to the development of the company and all of its individuals.

Customer satisfaction

Our company is highly nimble and quick to adapt to changes because of its efficient communication channels and rapid decision-making.

Synergy

The Group encourages its businesses to share their skills, experiences, knowledge, expertise, and resources.

Respect

Cegedim employees work in an atmosphere of mutual respect, equality, and recognition, caring for each other and the environment.

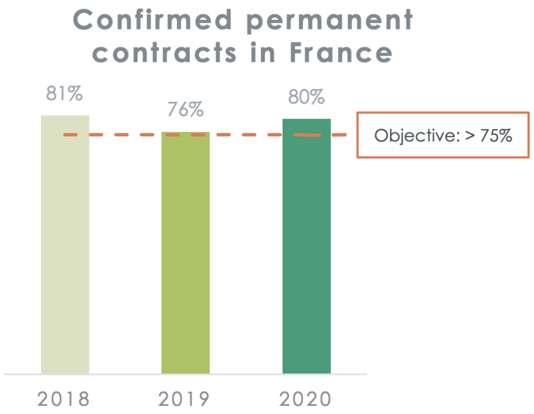
Personal and Professional Development

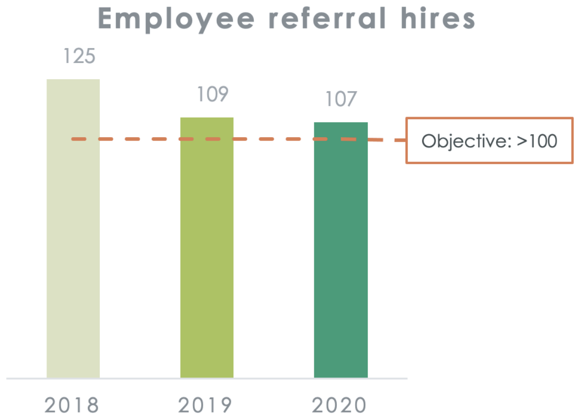
Cegedim's management style is based on measuring individual and group performances, dynamic and personalized career management, an active training policy, and potential for mobility both in France and abroad.

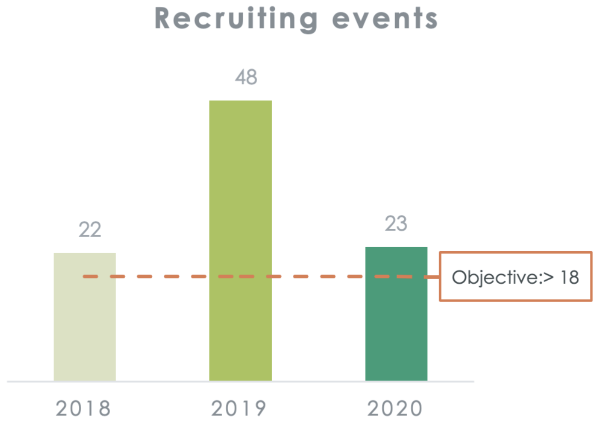
6.1.1 | An overview of our CSR key performance indicators

6.1.1.1 | Mobilizing our Human Resources

See Section 6.4

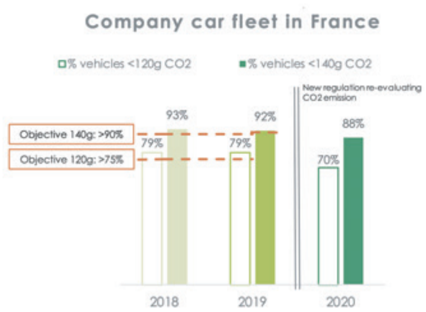


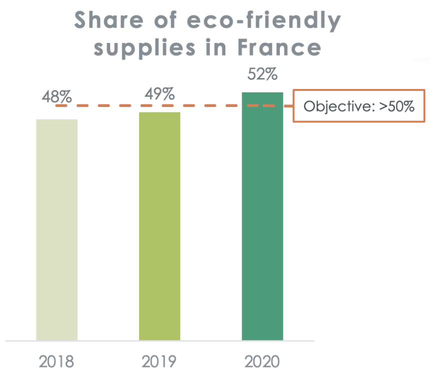


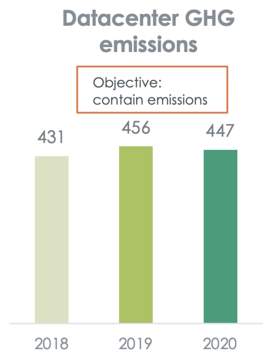


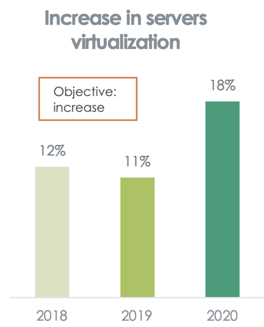
6.1.1.2 | Limiting our environmental footprint

See Section 6.5



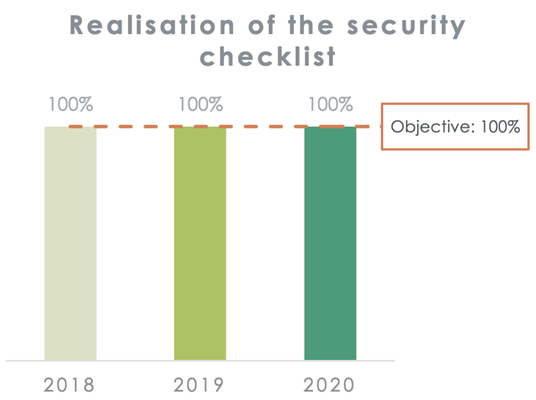


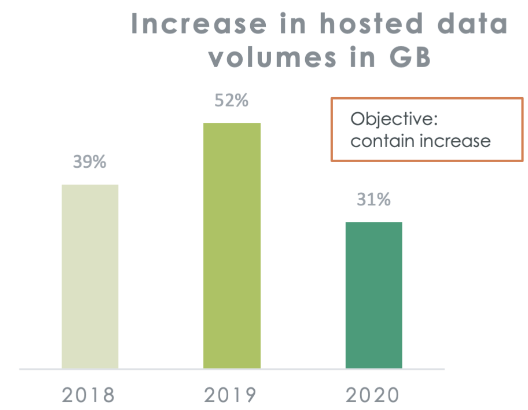


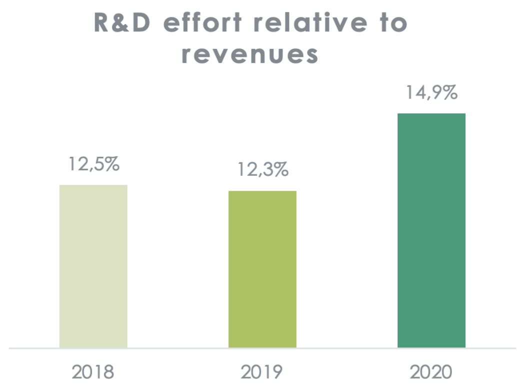


6.1.1.3 | Upholding our reputation for quality and safety

See Section 6.6

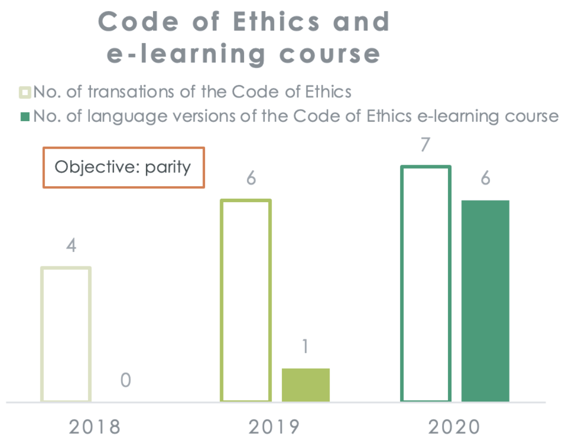


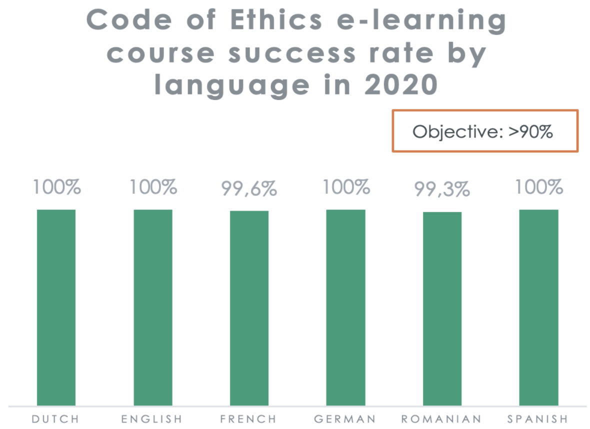




6.1.1.4 | Making an ethical contribution to regional development

See Section 6.7





6.2 | Business models, business activities, and value chain

Business model: the Cegedim ecosystem	Cegedim Group is organized into business units comprised of companies led by responsible entrepreneurs who successfully convey and promote their products' technological excellence in sectors with strong growth potential. Our ecosystem is structured around activities that for the most part involve selling products and services for the healthcare industry. On the one hand, it includes our clients in the healthcare industry—doctors, allied health professionals, pharmacists, insurers, and public health authorities—and their interactions with patients, and is a unique platform that provides these clients with the tools they need to deliver excellent services. On the other, it offers a range of complementary software services and solutions to all economic players, both in and outside the healthcare sector, in the areas of human resources management, digitalization, data and marketing, and BPO. The strength of this business model lies in the fact that all these companies co-exist within the Cegedim ecosystem, communicating and interacting around our products and services.
A strategic transformation to boost our competitive edge	Cegedim has successfully completed its geographic refocus on Europe, and seen a return to lasting growth. We once again have the resources with which to make cutting-edge technological investments, as evidenced by the acquisition in France of large stakes in fintech firm SSP and printing consultants Audiprint. The outlook for Cegedim's markets is one of solid growth despite short-term uncertainty. Key growth drivers are: - French government reforms with significant regulatory changes that benefit our activities (health, payroll, data flow digitization, etc.); - Increasingly complex healthcare systems that need to be made more efficient; - An aging population and the growing prevalence of chronic diseases; - The shortage of doctors in rural areas; - The push to boost patient engagement. All these factors are feeding the need for more innovation and technology—including SaaS, the Cloud and artificial intelligence—and more health data. Cegedim invests heavily in innovation and devoted in 202014.9% of its revenue to paying its R&D staff. The need to digitize the economy, services and the health sector (patient medical records, prescription and diagnosis aids, remote consultations, and third-party payment, to name but the most visible issues), and the need for health data (for example to aid the diagnosis of rare diseases), are all factors that will ensure the Group's future profitable growth. At the same time, there is a growing need for outsourcing—for both outsourced payroll and human resources management, and outsourced health insurance management services. Cegedim, which operates in constantly evolving markets and has refocused on its strategic activities, boasts solid fundamentals, a balanced portfolio of complementary services, a diversified customer base, wide geographic coverage, the clout that comes from being an integrated Group, and operational and financial discipline. The synergies generated by our comprehensive offerings, as well as our innovative tools, cut costs and improve the quality and accessibility of care. Our strategy will benefit society since it contributes to the overall improvement in everyone's health, well-being, and quality of life.

Our activities

Our main operating divisions share:

- A healthcare ecosystem,
- Strict regulatory frameworks,
- Aspirations of market leadership.

To offer a diverse portfolio of suitable products and services, the business model of the Software and Services division catering to healthcare professionals is based on:

- Packaged product and service offerings for professionals, clinics, and pharmacy chains,
- Management software designed for use in individual practice or clinics,
- Client support based on a dense nationwide network of local representatives, a helpline, and maintenance services.

To offer a diverse portfolio of suitable products and services, the business model of the Flow, Data & Marketing, BPO and Software and Services divisions catering to other professionals is based on:

- Tailored products and services for large corporate clients,
- A project-by-project approach that requires lead time to design and execute solutions suited to the complexity of each client's needs,
- The option of SaaS or hosted management formats, plus BPO.

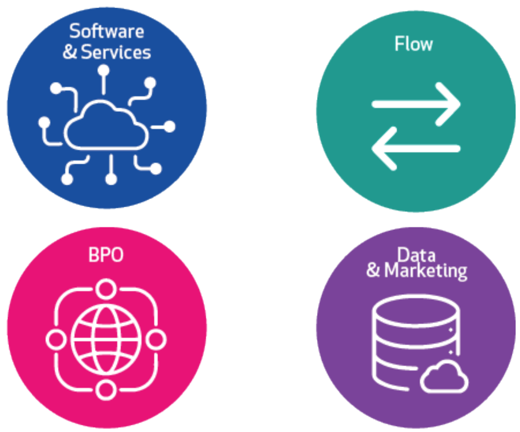
To focus on developing Cloud-based solutions, we rely on a nimble R&D organization, highly skilled employees, and process standardization. We make sure we comply with all the different regulations, notably GDPR, and the quality of our services is attested by our certifications. We take a collaborative approach and develop products according to the needs of our clients as well as efficient technological platforms.

€277.2M | 56%
of FY 2020 Revenue

Licenses, SaaS, internet services, maintenance, integration, hosting for healthcare professionals in France, the UK, Romania, Spain, Belgium and Italy, health insurance companies in France and the UK and HR departments in France.

€79.4M | 16%
of FY 2020 Revenue

Digitalization of processes and invoices in healthcare and other sectors in France, the UK and Germany.



€48.9M | 10%
of FY 2020 Revenue

Business process outsourcing for health insurance companies, mainly claims processing, and HR departments in France, with offshore centers in Romania and Morocco.

€87.8M | 18%
of FY 2020 Revenue

European Health database and studies used by health authorities, governments, healthcare professionals, and pharma companies in France, the UK, Romania, Spain, Italy, Germany and. Digital and print marketing at pharmacies in France. Digital marketing for French doctors.

Our business model

Our ressources

Stakeholders

- Clients
- Partners
- Suppliers
- Investors
- Shareholders
- Employees
- Schools
- Certification body
- Governance

Human Resources

+ 5,300 employees
1,338 employees dedicated to R&D

Financial assets

€208m of shareholders' equity
Long-standing shareholder support
Strong recurring revenue base

Technical resources

5 Cegedim's Datacenters
66 sites
Capital expenditures: **€75m**[1]
15% of R&D effort[1]

Natural resources

100% of renewable energy[2]
269 tons of paper of which **94%** are ecolabel paper

[1] See section 6.2
[2] Since January 1st, 2021

Nos divisions

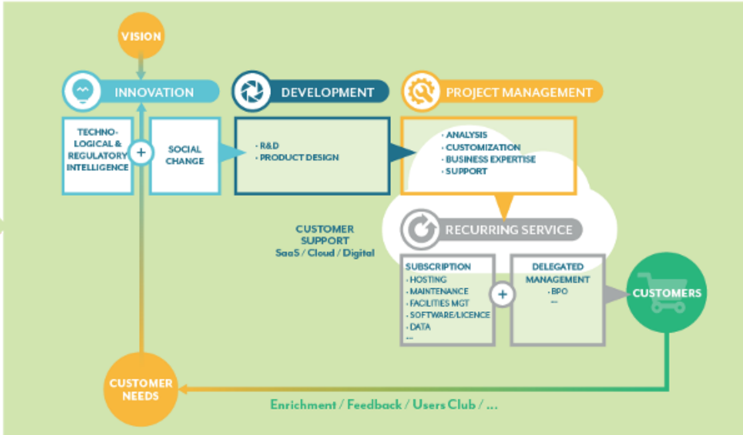
Corporate & others
Support to other divisions

Software & Services
REVENUE: €277.2M
Licenses, SaaS, internet services, maintenance, integration, hosting for healthcare professionals in France, the UK, Romania, Spain, Belgium and Italy, health insurance companies in France and the UK and HR departments in France.

Flow
REVENUE: €79.4M
Digitalization of processes and invoices in healthcare and other sectors in France, the UK and Germany.

BPO
REVENUE: €48.9M
Business process outsourcing for health insurance companies, mainly claims processing, and HR departments in France, with offshore centers in Romania and Morocco.

Data & Marketing
REVENUE: €87.8M
European Health database and studies used by health authorities, governments, healthcare professionals, and pharma companies in France, the UK, Romania, Spain, Italy, Germany and. Digital and print marketing at pharmacies in France. Digital marketing for French doctors.



NOS VALEURS: CUSTOMER SATISFACTION · INNOVATION · ETHICS · SYNERGY · PERSONAL AND PROFESSIONAL DEVELOPPEM · RESPECT

NOS PILIERS: Innovation · Financial discipline · M&A

Our value creation model

Clients

- Health Autorities
- Pharma Companies
- Researchers

56 million anonymized patient data

- Pharmacies ≈60k
- Care Providers ≈152k
- Payers ≈43M
- Patients
- Allied Health Professionals
- Government
- Hospitals
- Businesses 6M payroll / year
- Corporates 900M/year electronic flows

Employees

872 new hires on permanent contracts
€256.2m used for employee wages, pensions, etc.

Suppliers

€126.0m used to purchase goods and services from our suppliers
+150 critical suppliers reviewed

Community

+84% from healthcare space
€6.3m returned to the community by paying corporation tax, other taxes, and duties

Reinvested in Cegedim

€75.5m reinvested in Cegedim for future value generation

Local presence

12 countries
+500 mobile workers

Capital providers

€469.9m: Cegedim Group revenue
€9.0m in financial costs for our capital providers

6.3 | Group CSR risks, challenges, and goals

CSR Strategy

Cegedim's human and technological capital are the cornerstone of its contribution to the healthcare ecosystem. These two resources are at the heart of our CSR strategy. We create and sell products and services of the highest standard to healthcare and other professionals, who can then, in turn, deliver the best products and services to their patients or clients. Cegedim is socially responsible by design: our business activities and decision-making processes have inherently workforce-related, social, environmental, and ethical dimensions. Our products and services—whether they concern healthcare, the management of digitalized flows and processes, or data—make a lasting contribution to the overall wellbeing of society and we endeavor to minimize their environmental footprint while maximizing their positive social impacts.

We aim to positively impact both the environment and our internal and external stakeholders and thus contribute, at our level, to the United Nations Sustainable Development Goals (SDGs). Some of these goals are further removed from our core activities. The SDG wheel seen here shows the goals we contribute to in color, while the ones that do not apply to our activities or business model are greyed out.

Cegedim offers solutions to all these current fundamental societal issues.

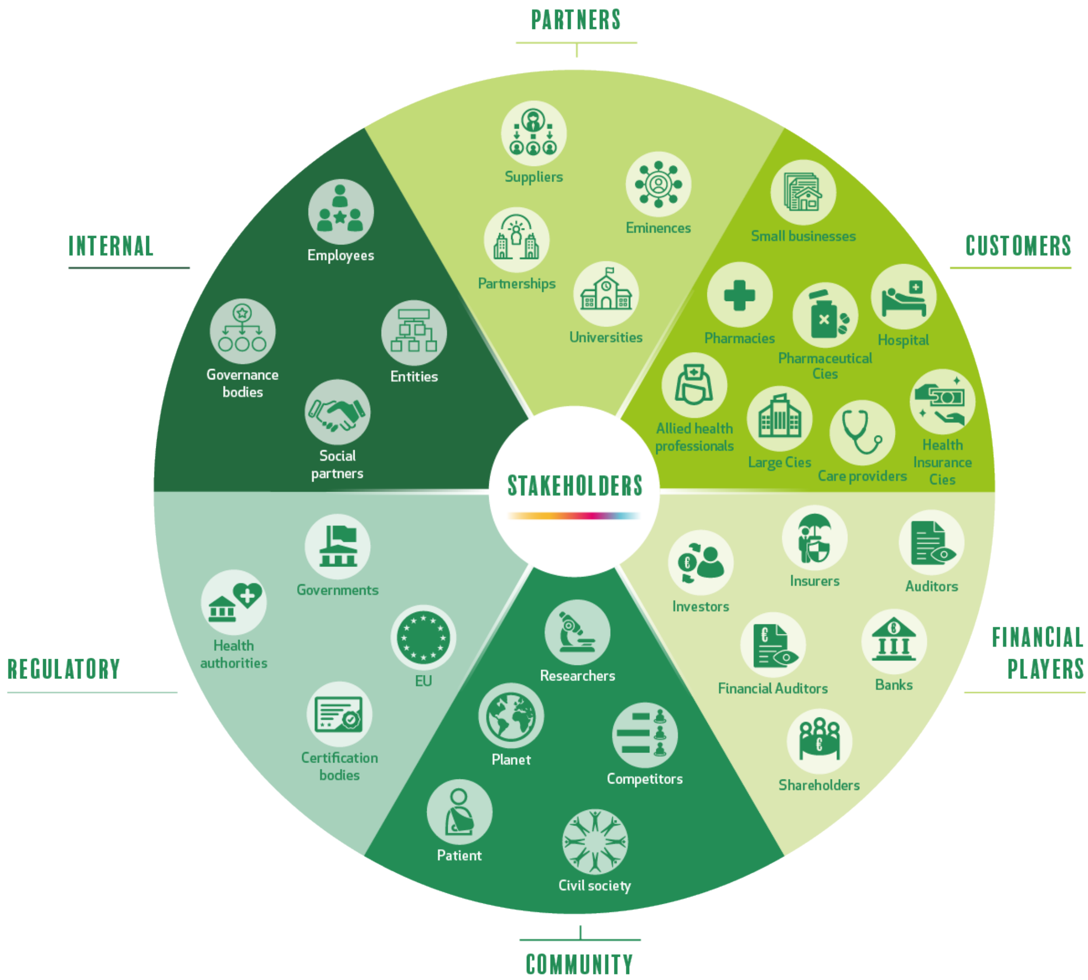
Our stakeholders and how we consult them

As a committed long-term player in the regions where it operates, Cegedim Group has dealings with all its stakeholders, both internal and external.

We build and maintain ongoing relationships with our stakeholders and engage with them regularly in a wide range of ways. Examples include: frequent exchanges with clients and suppliers, customer satisfaction surveys, customer relations management and user clubs, public relations and periodic local and global events, partnerships, social dialogue, investor meetings and roadshows, responses to ratings agencies, dialogue with local decision-makers and legislators, market intelligence, and social network monitoring.

With the backing of its stakeholders, Cegedim is both stronger and more efficient. All our stakeholders take a risk, but not always the same type of risk.

Our stakeholders



CSR risks

Our business model and strategy always account for our stakeholders. By establishing ongoing dialogue and regular exchanges, both formal and informal, we identify and analyze major risks.

Cegedim takes an integrated approach to risk management: CSR, risks and compliance are all covered by the Chief Compliance & Risk Officer, reporting to the General Management and the Audit Committee. This enables centralized handling of these issues and ensures that business challenges and risks—financial or non-financial—are dealt with consistently across the Group. Looking at the Group as a whole and its main business models, we have identified and analyzed material non-financial risks, taking into account their workforce-related, social, environmental and ethical aspects. This exercise was conducted collectively and led by the Chief Compliance & Risk Officer. The approach and results were approved by our governing bodies.

We refer to the following:

- The provisions of the Grenelle II Act as laid out in Article L225-102-1 of the French Commercial Code,
- The United Nations Sustainable Development Goals,
- The United Nations Global Compact,
- The framework of the Paris Agreement,
- The requirements of the 2014/95/EU Non-financial Reporting Directive transposed into national law, notably anti-corruption and tax evasion measures,
- The provisions of the Sapin II Act and the Cegedim Group Code of Ethics,

The risks identified by Cegedim are listed and detailed in Chapter 7, Section 7.2.21.

Our activities are typical of the tertiary sector. Our technological infrastructures include powerful datacenters and their energy consumption is a key environmental concern for our activities. We limit the potential negative impact of these activities and minimize their footprint with our infrastructure energy efficiency and continuous improvement policies. We also have specific measures and periodic campaigns targeting our workforce, whether on our premises, or travelling for business. Protecting the environment is also one of our business model's key CSR issues. Our top five non-financial risks are:

- Failure to attract and retain suitable human resources;
- Threats to our infrastructure and data;
- Negative environmental impacts from our activities;
- Failure to live up to our quality standards;
- Unethical behavior;

To meet these challenges in a meaningful way, Cegedim Group implements policies and due diligence that help improve its non-financial performance and achieve its objectives. These goals are grouped into key themes and we monitor and measure our performance by looking at the results and relevant key performance indicators, as presented in this report.

Materiality Assessment

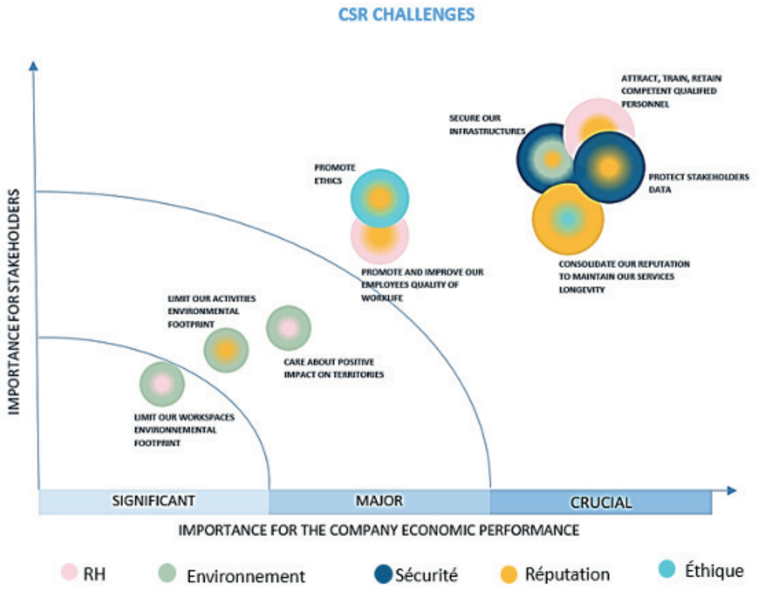
estimated at 03/19/2021

By identifying the risks, we are able to spotlight our major CSR challenges, and assess and position them in a materiality matrix.

The policies and action plans we deploy are commensurate with the importance of each challenge and are described in the various chapters of this document.

Once a year, our CSR risks and challenges are reviewed and approved by senior management and the Group's Audit Committee.

Cegedim Group's CSR challenges are assessed and positioned in the materiality matrix based on their importance. The weighted importance of each type of risk (HR, Environmental, Safety, Reputation, Ethics) is visually represented in the chart. The size of the dots reflects the full importance of the issue to the Group and its stakeholders.



The impacts of the Covid-19 pandemic on Cegedim Group

Cegedim's priorities when managing the Covid-19 crisis have been:

- The health and safety of its employees,
- Business continuity,
- Maintaining the same level of service for our clients.

The Group's activities were affected in different ways:

- A crisis unit was set up in February 2020 to prepare for lockdown in France and other countries, and enable us to continue our activities. Our top management held weekly updates to monitor employee well-being and the economic and health situation.
- We suspended all business travel to limit the spread of the virus. We anticipated the widespread need for remote working during the first lockdown and rolled out a system that was fully operational by early March. During the second lockdown, we allowed employees to decide whether or not to work from home. Those returning to the workplace were required to respect health and safety measures. We implemented rosters for our teams to reduce the risk of contagion inside our premises and ensure social distancing.
- We put very few of our employees on short-time, and preferred the transfer of skills wherever possible.
- We bolstered our remote working infrastructures to guarantee secure connections—which continued to function normally.
- We updated the occupational risk assessment document (Document Unique d'Évaluation des Risques or DUER) for all our establishments. The working group compiled and circulated fact sheets with practical tips for remote working, including the right movements and postures to adopt.
- We reassessed our recruitment and integration processes for new hires to ensure they joined the Group under good conditions, despite working mostly from home.
- We cancelled recruitment events like speed interviews and careers fairs at the height of the pandemic. We took part in some online forums. The events we did hold complied with health, safety and social distancing measures.
- We adapted and organized remote events so our employees could stay in touch and remain engaged: after-work events, live cooking classes, photo contests, etc.
- We adapted our corporate communications to the lockdown, and published a dedicated newsletter.
- We set up a 24/7 employee hotline allowing them to raise any concerns confidentially and anonymously.
- Our HR team completed a Covid-19 prevention course called "Sécuriser la reprise - protéger les salariés" (Secure the Recovery - Protect the Employees).
- We appointed a multidisciplinary team of Covid-19 contact people from the HR, General Administration and Risk Management departments.
- We rolled out a health and safety protocol which we update regularly based on the French government's recommendations. It includes disinfecting the buildings, implementing foot traffic management and signs, adapting office and lobby layouts to enable easy movement of people, and providing protective equipment.
- Our subsidiaries offered their clients solutions and services to help manage the crisis as well as possible. GERS Data provided the health authorities with data, CLM equipped four Covid-19 emergency centers, Maiia offered its teleconsultation solutions free of charge, SRH helped its clients implement short-time, and SY by Cegedim launched a simplified version of its digitalization solutions.
- Early in January 2020, Maiia was selected by the French Ministry of Health as one of the three approved appointment scheduling websites for its Covid-19 vaccination centers.
- From a financial viewpoint, Cegedim demonstrated its businesses' resilience (See Chapter 4, Section 4.6 and Chapter 3, Section 3.6 of this Universal Registration Document).

6.4 | Mobilizing our Human Resources

Results

Group Headcount
2020 | 2019

5,311 | 4,946 Total headcount	930 | 1,182 Departures
3,435 | 3,364 Headcount France	13% | 9.9% Turnover (rate of departures) incl. 6% unwanted departures
1,876 | 1,582 Headcount International	4 953 | 4,682 Employees on permanent contracts
1,295 | 1,465 New hires	358 | 264 Employees on temporary contracts
872 | 1,067 New hires on permanent contracts	39.6 | 39.7 Average age
423 | 398 New hires on temporary contracts	

Employer brand and university partnerships in France
2020 | 2019

13 | 24 Speed interview sessions (1)	19% | 15% Work-study contracts and student internships converted to permanent contracts
0 | 16 Job fairs (2)	35 | 492 Internships
10 | 8 Student recruitment events (3)	28 | 47 Work-study contracts
16 | 23 Hires from (1), (2) & (3)	64 | 28 Apprenticeships

Training and mobility
2020 | 2019

15,727 | 17,067 Hours of training in France
959 | 870 Employees trained in France
396 | 103 Group e-learning training sessions
5,043 | 4,482 Employees signed up for Group e-learning sessions
5,391 | 3,886 Hours of e-learning, Group-wide
239 | 372 Internal mobility transfers in France *Job changes and transfers between entities*

Group gender equality

2020 | 2019

45% | 45%
of employees are female

40% | 40%
female board members

55% | 55%
of employees are male

60% | 60%
male board members

Health and safety in France

2020 | 2019

23 | 61
workplace accidents

33,189
days of absenteeism due to Covid-19 - France*

45,847 | 38,548
days of absenteeism excluding Covid-19 - Group-wide

8.64 | 11.52
average number of days of absenteeism excluding paid leave, overtime rights (RTT) and Covid-19

27,169 | 38,548
days of absenteeism excluding Covid-19 - France

7,91 | 11,5
average number of days of absenteeism per employee excluding paid leave, overtime rights (RTT) and Covid-19

** Sick leave, leave to look after children when remote working impossible, short-time work.*

Quality of work life

2020 | 2019

676 | 417
French employees regularly* work from home

19.68% | 12.4%
of the French workforce

281 | 230
part-time Group employees

5.30% | 4.6%
of the Group workforce

1,754 | 1,770
Employees participating in Cegedim Heroes

** Regular remote working within the framework of the Group agreement in France, excluding employees working from home exceptionally due to health and safety measures.*

Key Performance Indicators and Objectives

Percentage of confirmed permanent contracts	Attract employees	Achieved	Objective
	Employees on permanent contracts in 2020 in France, whose trial periods were confirmed by December 31; does not include employees still on trial period at that date. A formal interview is conducted at the end of the trial period, and HR analyzes the results and takes corrective actions if needed.	2020 | 2019 80% | 76%	Maintain at ≥ 75%

Confirmed employee referral hires in France	Promote employee referrals	Achieved	Objective
	The criteria for employee referrals in France in 2020 are exactly the same as in 2019, and exclude certain cases, as detailed in this chapter.	2020 | 2019 107 | 109	Maintain at ≥ 100 employee referral hires a year

Recruiting events	Maintain a visible presence through recruiting events	Achieved	Objective
	These events consist of speed interviews, job fairs, and student recruitment events. We also held employee referral events that are not counted here. The number refers to events held in France. All events in 2020, were organized in compliance with health and safety measures.	2020 | 2019 23 | 48	Maintain at ≥ 1.5 events per month

HR policy

The Group has an active HR policy in support of its employer brand, detailed through this chapter, and has redoubled its efforts in recent years to build employee loyalty. There is generally a higher employee turnover rate within the specialized account manager teams of some of our activities, which is typical of these professions.

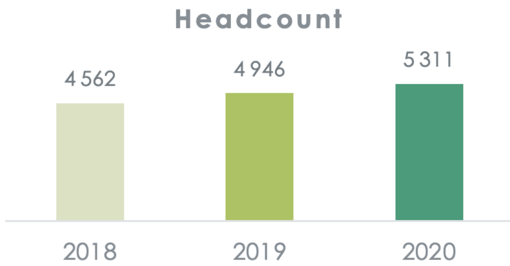
In 2020, Cegedim's human resources policy continued to help advance its business activities. The policy fosters an environment in which employees can cultivate their skills to the fullest while also actively contributing to the company's performance. Cegedim adapts its compensation policy to motivate talented individuals and ensure training and recruitment, while at the same time keeping growth in payroll to a reasonable level.

Cegedim Group's human resources policy reflects its keen interest in social equality. Our human-sized HR teams focus on communicating, imparting skills, and sharing experiences, which are critical ingredients for continuous personal development. We also have a proximity management policy which fosters rapid, efficient decision-making and nimble responses. Employees are appraised regularly and receive training and advancement opportunities. This allows them to enrich their skills and personal experience, giving them the prospect of taking on new responsibilities. Experience gained at Cegedim Group, a benchmark employer, boosts their employability.

Recruitment

Headcount

The Group is committed to strengthening its human capital, which is a prime asset. As a result, one of our key ongoing concerns is recruiting qualified personnel suited to our needs. This is a critical issue for Cegedim Group as a B2B company, because applicants and future employees may not have access to or know about our corporate communication and products. Our strong presence on professional social media sites gives us a high profile in France, and we actively use these sites to recruit. Despite the Covid-19 crisis, Cegedim continued to recruit new hires, but adapted their onboarding process.



Recruitment

To ensure we have the personnel needed for our business development, every year Cegedim recruits:

- Several hundred employees in France, with a growing focus on promoting diversity in the workforce and providing employment for persons with disabilities,
- A growing number of interns and young people under work-study contracts,
- Internationally, via the Group's operations in over ten countries.

To this end, at our Boulogne-Billancourt, Rabat, and Bucharest offices, we have created an area dubbed RecrutLab, with rooms specifically designed for recruitment efforts and applicant interviews. In 2020, most of our recruitment was conducted remotely because of the Covid-19 pandemic.

In 2020, to help us meet two recruitment objectives, we teamed up with:

- Fencing champion and former French Minister of Sports, Laura Flessel, who will help us hire top athletes;
- Outplacement company, Altedia, which will help us hire people whose companies need to outplace some of their employees under France's Plan de Sauvegarde de l'Emploi (PSE) job-saving scheme.

Some subsidiaries use an onboarding scheme to boost retention of new hires in positions with long learning curves, so they can capitalize on their investment in initial in-house training. New hires receive support in the form of a half-yearly development plan that includes qualitative indicators and quantitative objectives.

Recent graduates

Most of our employees have a scientific or business educational background. The Group makes a concerted effort to recruit graduates through work-study programs in partnership with higher education establishments and universities. We make our work-study students feel welcome all year long by providing opportunities for discussion, organizing contests, games, etc. In September 2020, we rolled out additional support for work-study students, coordinated by the HR team, in order to foster more exchanges. We created three communities—sales & marketing, support & IT, and development—to round out their integration.

Cegedim participates in job fairs and student forums. We offer students and recent graduates internships in France and abroad. These internships put participants on a fast track to employment and often turn into permanent positions with Group companies. Some of our subsidiaries have annual internship programs to help students prepare research projects for their master's thesis and encourage young graduates to join the company. We also have positions at our Spanish R&D subsidiary in Barcelona and at SRH in Bucharest for young people on the V.I.E. French international internship program.

Every year, we offer students summer internships so they can gain first-hand experience of the world of business. In 2020, we offered about 30 summer internships in France and organized an online Open Doors event in Romania with student organizations from the Polytechnic University of Bucharest and the University of Bucharest's Faculty of Letters.

Despite the pandemic, the Group organized its first virtual forum with HEC Paris business school in 2020 and was able to exchange with students taking courses in digital technology, data sciences, strategy, marketing, and finance. Like any standard forum, this one also included informal chats, conferences, round table events and individual interviews.

University partnerships

We have partnerships with the University of Cairo in Egypt and with Simplon school of digital technology in Paris. Group employees work with students at the University of Poitiers and the Sorbonne. Cegedim is also the proud sponsor of France's first master's degree in HRIS (human resources information systems), which admitted its first students at the University of Paris I Sorbonne in September 2018 and is taught by Cegedim employees. We also offer some students apprenticeships with the Group's teams. In 2020, Cegedim initiated a partnership with HEC business school, which it will continue in 2021, designed to forge strong links with its students, especially those on the MBA program, which is a pool of potential hires.

Speed-interviewing

We hold regular speed interviewing sessions at our French sites for applicants responding to Group ads or selected by recruiters. The sessions consist of a series of rapid interviews of around ten candidates by HR teams and relevant managers, who may then offer jobs to some candidates. Events like these complement traditional job ads and are promoted at schools in regions where Cegedim is looking to recruit. We recruit around one-third of all hires at these events and use them mainly to recruit HRIS consultants, sales, and R&D staff.

Onboarding

We launched a new onboarding program in October 2020 for all employees in France. It is principally designed to help the HR teams in each of our subsidiaries welcome new hires with a presentation of the business unit (BU), HR tools, etc. Once a month, our Group Chief Human Resources Officer introduces new employees to the Group's different activities and business vision in a videoconference attended by employees from different sites in France.

The welcome program, designed specifically by the Human Resources teams at corporate headquarters and the business units (BU), includes a number of job-specific training modules of varying durations: School SRH, Maiia onboarding, insurance industry track, media or e-business tutor, and Sales Academy. Some of the BUs periodically hold "job swap" style programs to deepen the onboarding experience and assign mentors to the new hires. Some jobs may require more specialized training on arrival because of the nature of the business (e.g. drug safety, pharmaceutical depository, forklift operator, etc.). In January 2020, our subsidiary CLM overhauled its sales onboarding program which now includes all employees, principally through mentoring schemes, with veterans coaching newcomers.

Prior to a new recruit's arrival, the HR department goes over a checklist with the employee's future manager to make sure everything is ready for day one. The onboarding process includes a review with HR halfway through the trial period and a review with the manager at the end of the trial period.

Employee referral program

Cegedim Group created its employee referral program in France in 2011 and expanded it in 2018. The program rewards employees who refer job candidates whose qualities match the Group's operational needs and values. The group issued a reminder of the program's eligibility criteria in 2019 and imposed restrictions on the involvement of all managerial staff in the recruitment process, including top management and HR management.

Cegedim holds in-house events for referring employees and their referrals to give Group managers a chance to meet the candidates informally at themed gatherings.

Several exceptional employee referral campaigns took place in 2020 to find recruits with the most sought-after profiles (sales representatives and IT).

Compensation policy

Cegedim has introduced both Group-wide and BU profit-sharing agreements—with the latter designed to incentivize employees at a local level. The Group's compensation policy aims to recognize talent by rewarding both individual and group-wide performance, with stronger emphasis placed on individual performance through variable compensation based on individual goals. Each year, Cegedim Group line managers meet with their team members one-on-one for a performance appraisal and review of annual targets. Every year, we use remuneration studies to verify that our compensation policy is in line with the market.

We increased the company's contribution to employee meal vouchers (*Tickets restaurant*) in April 2020 at nearly all our subsidiaries in France.

The Remuneration Committee is composed of three directors. The Appointments Committee is also composed of three directors. The chief tasks of these committees are to set the policy for awarding free shares and variable compensation and to create a succession plan for corporate officers in the event of an unplanned vacancy.

Work organization and quality of life

1. Health and quality of life in the workplace
2. Organizing work and fighting discrimination

1 Health and quality of life in the workplace

Internal communication

The intranet the Group set up in 2013 was revamped at the end of 2020 and relaunched in early January 2021 with a more user-friendly, agile, up-to-date design. It provides a newcomer's guide, country-specific company information, in-house newsletters, the style guide, and local information per office location. It also includes HR news for all subsidiaries, the latest news, access to BU intranets, etc. Individual Group entities have also taken a variety of local initiatives. For example, a network of around 20 "CG Live" screens display Group news; labor, legal, and industry updates; information about training courses, and so on. The Group has installed the screens, which can also display information tailored to each BU and entity, at all sites with 50-plus employees in France. During the lockdowns, we sent video messages directly to our employees.

In France, the BUs hold regular "Feel HR" meetings to bring their teams together and convey the latest company news. The Managing Director gives an annual presentation on the year's activity and highlights to employees. Employees in other locations can view the presentation over the Group intranet. When travelling abroad for roadshows, the Chief Investment Officer & Head of Investor Relations takes the opportunity to visit local subsidiaries and present the Group's annual results to employees. This year, both these events were held in virtual video formats with interactive Q&A sessions.

Forging ties between employees

After-work events for several BUs help create ties between employees from different departments working at the same location. Each entity organizes get-togethers at important times of the year or to mark important occasions (year-end party, team meals, etc.). Seminars are also organized for teams or specific units as and when necessary.

Cegedim is sensitive to the fact that the workplace environment is key to its employees' wellbeing. For this reason, we completely refurbished our Lyon, Vélizy and Montargis sites, and improved the premises' sound-proofing and energy efficiency.

Cafeterias and break rooms are also available at some sites, so employees can meet for business discussions in an informal setting over the weekly fruit baskets.

These facilities were adapted or temporarily closed in 2020, in order to comply with health and safety restrictions.

Accident prevention

In 2020, Cegedim updated the occupational risk assessments (Document Unique d'Évaluation des Risques or DUER) for all its sites. An HR working group was set up to monitor the roll-out of measures and action plans. We drew up and circulated a guide to good practices in open-plan workspaces and fact sheets on gestures and posture, remote working, and road safety.

Defibrillators have now been installed at all sites with more than 100 employees, except for Boulogne Billancourt, which has a fire safety and first responder service (SSIAP).

Quality of life at work

We rolled out a Quality of life at work (QVT) policy at some of our sites, which included dedicated working groups and in-house surveys so employees could help us improve the quality of their life in the workplace. The results of these initiatives were presented to the Occupational Health and Safety Conditions Commission (CSSCT).

Since 2018, employees in France have also been offered spots in the company nursery, which is operated in partnership with a leading provider. In 2020, we opened four more nursery spots for our employees, bringing the total to 25, or an increase of 19% on 2019. The huge success of the 2020 campaign and the fact that we kept last year's spots meant we were able to satisfy most new requests and cater to specific individual situations.

Employee survey

Some of our subsidiaries have conducted employee surveys since 2019. The aim is to evaluate team morale at a particular moment in time and assess and analyze any mood changes from one period to the next, whether they are negative (stress, lack of vision, disengagement, etc.) or positive (motivation, pleasure, cheerful atmosphere in the department, etc.). The quarterly survey, which is anonymous, covers four themes: engagement, resilience, purpose, and caring. The survey data is presented once a quarter to the Social and Economic Committee (CSE) and the Management Committee and unveiled to the workforce once a year.

Healthcare coverage

At Cegedim, all employees have plans to cover their out-of-pocket medical costs. We also offer optional supplemental insurance plans. In France, all employees have supplemental death, incapacity, and disability coverage, and former employees can continue their supplemental health coverage. The Group is endeavoring to gradually expand this kind of health and protection benefit to countries where it is not required by law. In fact, nearly all the Group's employees have been offered health insurance and a supplemental pension plan. We amended our health coverage agreements to comply with the French government's "100% santé" reform, which came into force on January 1, 2020. This reform aims to improve coverage of the cost of glasses, dental care, and hearing aids.

Preparing for retirement

In 2020, we started negotiating an agreement for older workers and a collective pension plan (PERCOL) with the trade unions. One of our subsidiaries organized a meeting with the national pension fund (Caisse Nationale d'Assurance Vieillesse - CNAV) for employees over age 55 providing information on how they should prepare their retirement. Other subsidiaries will repeat this initiative in 2021.

Sport and wellness

In early 2019, we launched Cegedim Heroes, our own sport and wellness program and app. All Group employees can use it—they join their local team, based on their workplace location, and are encouraged to transform their daily life through exercise. They can take part in regular challenges and contests and are awarded health points for each physical activity they do. The program's aim is to improve personal well-being in the workplace. All sports count: walking, running, cycling, swimming, team sports, skiing, working out, etc. There are regular team contests as well as weekly individual challenges.

In 2020 we organized two Group-wide sports events: "Ensemble pour la recherche contre le cancer des enfants" (Together for childhood cancer research), which raised funds for the Institut Gustave Roussy, and "Sport, santé et surprises" (Sport, health and surprises), which offered online courses.

Covid-19 related lockdowns affected the way participants exercise, and the program was terminated at the end of 2020. We are planning a new format for 2021. The Cegedim Heroes program:

- Had over 1,700 participants worldwide;
- Covered nearly 2,075,290 kilometers—that's 52 times around the world;
- Distributed over 300 awards to the most motivated;
- Incentivized 30% of participants to take more exercise;
- Encouraged group emulation and appointed motivational ambassadors.

Leave sharing

Cegedim has introduced the leave sharing program for all employees in France so employees may help colleagues experiencing personal challenges. A collective bargaining agreement was concluded so that as many people as possible can benefit from this initiative and to allow donations to be supplemented by a contribution from the employer.

Collective bargaining agreements

Numerous collective bargaining agreements apply to the French subsidiaries and the Group as a whole. We cannot provide a detailed review of them all. To date, none of the agreements reached in France has been opposed by employee or union representatives, which illustrates the success of the social dialogue.

In 2020, negotiations related to collective agreements notably covered:

- Amendments to profit-sharing agreements
- Profit-sharing agreements for some subsidiaries that did not have one
- Time savings accounts (Compte Épargne Temps (CET))
- Trade union careers
- Increase in the number of investment vehicles for the company savings plan (Plan d'Épargne Entreprise (PEE))
- Electronic signatures for collective bargaining agreements.

2

Organizing work and fighting discrimination

The right to disconnect

France's Labor Act of January 1, 2017, enshrined the right to disconnect. However, we have not implemented any measures to block IT communication. This is because we cannot shut down servers or other IT infrastructure equipment during non-working hours, owing to continuity of service requirements and the resulting need for staff to be on duty. Cegedim meets the law's requirements by using tools to report time off and by creating an HR hotline that employees can call if they require a meeting to discuss their workload. Their situation is then analyzed and a remediation action plan drawn up with their manager. We reminded employees of their right to disconnect in the fact sheet on remote working.

Social and economic committees (CSE)

We maintained close social dialogue in 2020, increasing the frequency of our exchanges due to the health situation.We met twice as often between April and June to provide the best possible support for employees through the crisis. All short-time requests were approved by the social and economic committees (CSE).

We cannot provide a detailed review of the activities of all the Group's social and economic committees in this report. We can, however, note that they provide numerous employee perks, in keeping with local practices, for example housing benefits, discounts on leisure activities (sports, entertainment, culture, travel, and CESU home help vouchers), as well as support with year-end holidays (gift vouchers, Christmas trees, etc.), school holidays (vacation vouchers), and other significant life events.

The social and economic committee of the Boulogne economic and social unit (UES) set up a website from January 2020 so employees could purchase these services remotely. In 2020, three new social and economic committees were established within the Group: Cosytec, RDLP, and IAssurances.

Organization of working hours

We observe the International Labor Organization conventions in all the countries where we operate. The working hours of employees in France—two-thirds of the Group's total workforce—are based on a statutory annual total of 216 working days or 1,607 hours, and a contractual working week of 37 hours and 10 minutes. Any overtime entitles employees to RTT days off ("Réduction du Temps de Travail", or reduced working hours). Outside of France, local working hour legislation is observed in each country.

In 2020, a new Time savings account, or Compte Épargne Temps (CET) agreement was concluded, resulting in the following key changes:

- Employees may take leave on personal grounds and deduct it from their CET account;
- Employees may donate days of leave from their CET account to colleagues as part of the leave-sharing program;
- Employees have more options to cash in their overtime (RTT).

We standardized paid leave rules across all our businesses and extended paid leave periods.

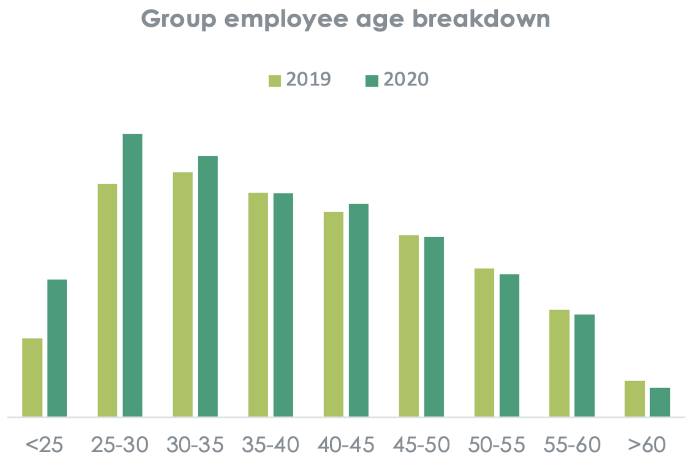
Cegedim implemented remote working, both periodic and regular (one day a week or one day every two weeks), in 2018. These arrangements give employees real flexibility to manage their time and travel. A collective bargaining agreement for mobile workers was also rolled out in 2018 and 2019. It accounts for the particular circumstances of employees who travel a lot for work and classifies travel time as working time for more than 500 mobile workers.

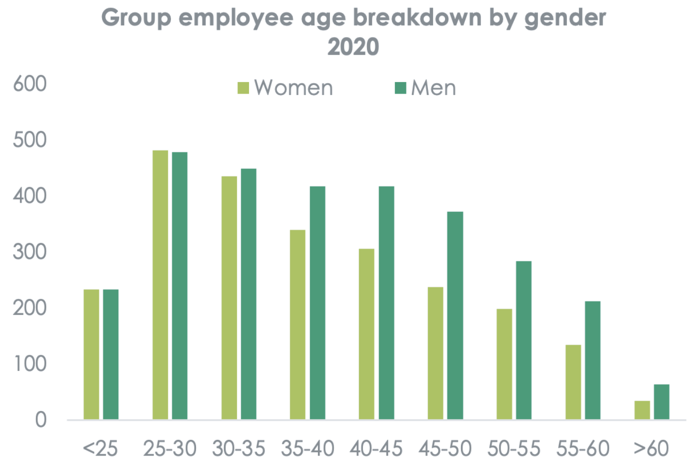
Equitable career advancement

The Group does not discriminate when hiring and assigning positions. Job offers provide for wages without discrimination and raises are based on each employee's performance and experience. Any person who is a victim of or witness to discrimination has several means of reporting it. They may contact the Group Ethics Committee or an employee representative body, both of which will act with complete independence. An employee representative support agreement was concluded to implement wage growth guarantees.

In compliance with French regulations, Cegedim ensures that women employees returning to work after maternity leave receive a pay rise.

The Group's age structure shows that our average age is getting younger and reflects HR's active policy in this regard.





Disabled workers

Cegedim Group combats all forms of discrimination and aims to facilitate the integration of workers with disabilities. We are endeavoring to improve access to our buildings for the disabled. The Group complies with local regulations governing the employment of people with disabilities in all the countries where it operates.

In 2019, our disability unit's remit was enlarged and bolstered—an external six-month assessment including over 30 interviews with a representative sample of employees was conducted. Its composition was modified in 2020 and it now includes a member of each BU's HR team, which enables us to handle disability issues as closely as possible with the employee concerned. Our disability unit assists employees known to have disabilities, regularly monitors their administrative paperwork, and makes any necessary accommodations to their workstation and schedule. For this, we work closely with the Association de gestion du fonds pour l'insertion des personnes handicapées (AGEFIPH, a French non-profit that promotes the employment of people with disabilities).

In 2020, we celebrated Disability Week with a communication campaign. It was designed to make employees at CHS, Cegedim Assurances Conseil and SRH aware of several issues, particularly what best practices to adopt with disabled co-workers and how to manage a disabled colleague.

In France, Cegedim grants employees with disabilities five days extra paid leave to attend to their medical and administrative formalities, priority access to parking spaces and childcare services.

Managing qualifications and skills

4 QUALITY EDUCATION

Skills

We operate in a variety of businesses and can help our employees enrich their skills and gain new experiences so they can take on new responsibilities. The Group's HR policy is based on training and internal mobility, because we believe that professional development is a major factor in motivating employees to achieve success. Joining Cegedim means seizing the opportunity to work in a high-tech environment where teams tackle a variety of interesting and challenging projects, all while continuously developing professionally. Some subsidiaries offer managerial skills development training for employees promoted to team management positions.

Training

Training is a cornerstone of Cegedim's HR strategy, and we devote more resources than we are legally obligated to so that employees can realize their fullest potential. The Group's training policy combines a focus on individual progress, skills development, and company performance in order to keep pace with strategic projects and changes in the healthcare profession. New hires receive initial training as part of their onboarding process. In addition to the standard internal, external, inter- and intra-company training programs, the entities also provide continuous specialized training for some of the Group's very specific professions throughout their careers. We identify individual training needs during the annual performance appraisals and job interviews.

As well as professional training, we provide first-aid courses.

Skills sharing

Skills sharing is a key challenge for Cegedim Group that ensures our teams have the necessary knowledge and expertise. Our business units set up tailored training sessions by calling upon resources within their own teams. These initiatives allow us to meet the specific needs of our business lines, impart our culture, and pass on our expertise. Mentoring arrangements—which are required for vocational training or work-study contracts—are also used in some subsidiaries to foster the internal mobility of employees and integrate new recruits. The mentees are taught what they need to know for a given position (processes, procedures, tools, organization, etc.) or shown the skills required for specific jobs within the Group.

Some subsidiaries also offer close managerial monitoring for junior employees, mentoring schemes with more senior colleagues, and even advisors for employees who need assistance. A pilot mentoring scheme launched in the SRH subsidiary will be replicated across the Group's entities.

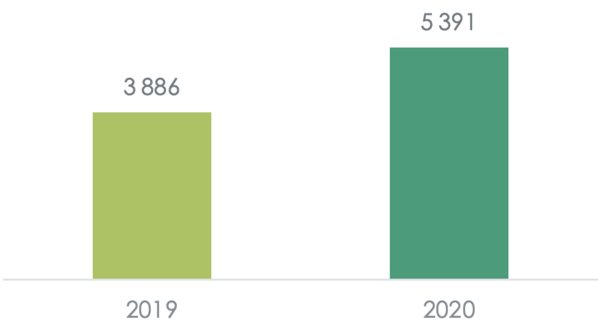
E-learning

Cegedim has created an e-learning platform so employees can complete a series of courses during work hours by selecting from a wide range of training programs. This platform was used extensively in 2020 for both Group-wide training programs and specialized training courses for specific entity activities and professions. The number of hours of training per enrollee increased by nearly 25% in 2020.

Several job-specific training courses were designed and rolled out on the platform following requests from some of the Group's entities. For example, we launched e-learning courses on electronic invoicing, information security, and professional and medical secrecy.

Our Research & Development teams also used an external digital platform to update their knowledge of developments and new technologies in their professions.

Hours of e-learning Group-wide



Internal mobility

Cegedim believes that professional development is a major factor in motivating employees to achieve success. When a vacancy arises, priority is given to internal recruitment. Internal mobility opportunities, with moves to different geographic regions, allow employees to develop their skills and experience of the business and also help the Group ensure the transfer of knowledge between its entities. To this end, we have an international mobility service for managers, salespeople, and technicians to handle requests for expatriate postings. These typically involve three-year assignments, transfers, and short-term assignments from France to another country, from an international office to France, or between different international locations outside of France. Certain entities have a mobility commission with representatives from Group HR, local HR, and local management whose purpose is to promote career development and review mobility requests for moves within the Group or entity.

6.5 | Limiting our environmental footprint

Results

Greenhouse gas emissions

2020 | 2019

1,369 | 1,365
metric tons of CO_2 equivalent generated by our electricity consumption

2.40 | 2.35
is the average age of our French car fleet

161 | 303
metric tons of CO_2 equivalent generated by our gas consumption

2.36
Is the average age of our Group car fleet

328 | 891
metric tons of CO_2 equivalent generated by air travel in France

69%
% vehicles emitting <120g CO_2 in the Group car fleet

5
metric tons of CO_2 equivalent generated by train travel in France

89%
% vehicles emitting <140g* CO_2 in the Group car fleet

0€ | 0€
Provisions and guarantees for environmental risks

** The 120g and 140g CO_2 thresholds, linked to French tax incentives to promote less-polluting vehicles, are less relevant for international subsidiaries. In the interest of comparability, the international figures are therefore presented as results and not as indicators.*

Use of resources

2020 | 2019

13,030 | 13,799
of electricity consumed in kWh

662 | 1,246
of gas consumed in kWh

Sustainable procurement

2020 | 2019

95% | 82%
of the paper and envelope products listed in the Group catalogue in France, office supplies, Copy center and mandatory regulatory information are eco-certified.

Digitalization

2020 | 2019

83% | 81%
of employees in France receive digital payslips

Key Performance Indicators and Objectives

% vehicles <120g CO_2	Car fleet in France	Achieved	Objective
	The company passenger car fleet is increasingly comprised of newer vehicles, fewer diesel engines, and more gasoline-powered cars and electric hybrids. Changes to the CO_2 emissions measuring system in March 2020 (WLTP standard) had a negative impact on the performance of our car fleet this year.	2020 | 2019 70% | 79%	Maintain at ≥ 75% 2020 is a year of transition and objectives will be realigned in 2021

% vehicles <140g CO_2	Car fleet in France	Achieved	Objective
	Several large utility vehicles were replaced in 2019, which had an impact on the category's overall performance. Changes to the CO_2 emissions calculation system in March 2020 (WLTP standard) had a negative impact on the performance of our car fleet this year.	2020 | 2019 88% | 92%	Maintain at ≥ 90% 2020 is a year of transition and objectives will be realigned in 2021

% eco-friendly purchases	Office supply purchases	Achieved	Objective
	Purchases of office supplies in France are centralized in a Group catalog that highlights eco-friendly products from a supplier with a sustainability policy.	2020 | 2019 52% | 49%	Aim at over 50% of eco-friendly purchases

Datacenter greenhouse gas emissions	Green IT, energy-efficient computing	Achieved	Objective
	The Green IT program, which aims at continuously improving the energy efficiency of our hosting services, enables us to control our energy consumption and CO_2 emissions.	2020 | 2019 447 | 456	Cut GHG emissions linked to datacenter electricity consumption, in metric tons of CO_2 equivalent.

Increase in number of virtual servers	Server virtualization	Achieved	Objective
	We continued to replace physical servers with virtual machines in 2020, and now have 13.4 virtual servers for every 1 physical server.	2020 | 2019 +18% | +11%	Maintain continuous growth

Reducing our environmental footprint

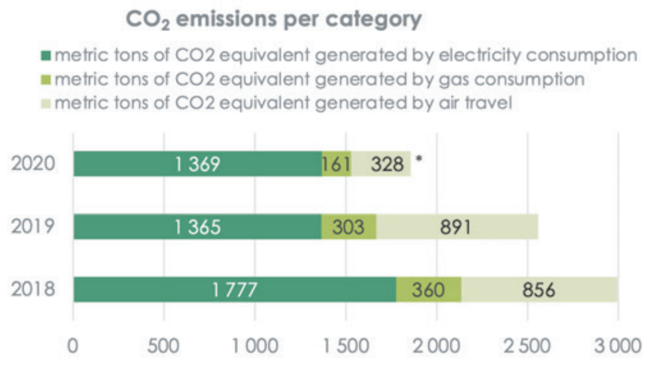
Cegedim has always believed in innovation as a way to improve the service it provides its stakeholders and as such, also sees it as the concrete reflection of its efforts to be a responsible company.

Carbon footprint

We measure our greenhouse gas footprint in terms of the electricity we need to run our businesses efficiently. As providers of services, our activities are office-based. Our CO_2 emissions are commensurate with those of standard office activities.

Our primary carbon footprint is principally generated by company cars and air-conditioning systems, while our secondary carbon footprint mostly stems from energy consumption and business travel.

The Group's datacenters in France account for a significant share of our electricity consumption. Since 2018, the Group has been able to measure, monitor and manage the carbon footprint of its hosting centers as part of its program to continuously improve energy efficiency.



* Train travel in France generated 5 metric tons of CO_2 equivalent in 2020 - this is not visible because of the chart scale

Fleet management

Our company car policy specifies what type of cars our employees may use and who is eligible for one, and provides a code of conduct for drivers in France. Fleet management takes into consideration vehicle age and changes in pollution standards, and respects official and industry recommendations. Our fleet includes hybrid vehicles, and when employees replace their cars, they are strongly encouraged to choose the most carbon-friendly categories. The WLTP standard for calculating CO_2 emissions, which was adopted in March 2020, affects the criteria used to manage the vehicle fleet and makes it difficult to compare indicators in 2020, since we have not replaced recent vehicles purchased before 2020 simply because the standard has changed.

Some sites encourage the use of alternative energies and transport methods, for example with EV-only parking spaces with charging stations, bicycle and kick scooter parking facilities with charging stations, and solar-powered parking lighting.

Limit business travel

We are particularly careful about business travel because it is a large source of carbon emissions. Our travel policy defines the rules and best practices for meetings and related business travel and encourages employees to cut back on their travel and use alternative, less polluting solutions without reducing the quality of the services offered to customers. Travelling to attend in-house meetings is limited and any exemption requires prior approval by management.

We introduced remote work technology as early as 2007 and encourage our employees to reduce short-distance travel and instead use videoconferencing, telephone conferencing, instant messaging, and document exchange platforms. As well as improving quality of life, working from home also reduces the daily journeys made by our employees.

Business travel fell by about 60% in 2020 as a direct result of health restrictions and travel bans.

Waste management

Cegedim Group has no industrial activities and does not produce toxic waste. Paper, cardboard, and computer equipment make up the bulk of our waste.

The only hazardous and dangerous substances we use are:

- IT hardware (screens, batteries, printers, and photocopier ink cartridges),
- Car equipment (batteries, engine oil),
- Cleaning products.

Several of our subsidiaries have already introduced recycling programs for printers, photocopier ink cartridges, and computer hardware.

When computer equipment in our datacenters reaches the end of its life, we ensure backups are complete, erase data, and then dispose of it in an eco-friendly way. This type of waste is usually collected by the supplier providing the new replacement hardware. Otherwise, it is given to a specialized recycling company. We also sometimes decide to keep equipment for spare parts, thus optimizing the life cycle of certain components which are recycled on-site.

In France, Cegedim outsources the management of all its waste electrical and electronic equipment (WEEE) to ensure that the materials are recycled and the toxic components are correctly disposed of.

The only wastewater produced by our activities is domestic.

Using less resources

1. Paper
2. Energy

1 Paper

Less printing

Reducing the number of documents printed by employees is one of our objectives. In all countries, teams are routinely encouraged to consider whether they truly need to print their documents or whether there are simple alternatives at their disposal (e.g. projecting information for a meeting on a screen rather than printing it out, only printing out emails when necessary, two-sided printing, printing in black and white, etc.). There are fewer individual printers being used by employees, who instead send their documents to a shared printing station. We also have a modern, efficient in-house print and copy center that handles bulk printing for our Boulogne-Billancourt sites.

In addition, in 2018, the Group made the switch from paper to electronic greeting cards.

A new agreement allowing electronic signatures for collective bargaining agreements has also significantly reduced the number of documents we print.

Printed distribution of mandatory regulatory information

In 2007, we decided to distribute our mandatory regulatory information electronically. Between 2010 and 2020, we also reduced the number of printed copies of our Universal Registration Document, cutting the French version more than tenfold and halving the number of English copies—we now only print 75 copies of each version. For the last ten years, this document has been printed on 100%-recycled, European Ecolabel-certified paper.

Digitized administrative processes

We decided early on to digitize administrative processes for new recruits in France and no longer send out mass mailings of paper documents. All contractual documents (letter of appointment, work contract, bylaws and charters, mutual health and personal protection insurance policies, etc.) are sent by email and signed electronically by both parties. We have also introduced meal cards, which avoids printing and handling meal vouchers. Due to regulatory restrictions, we are unable to apply these measures outside France.

Digital vault

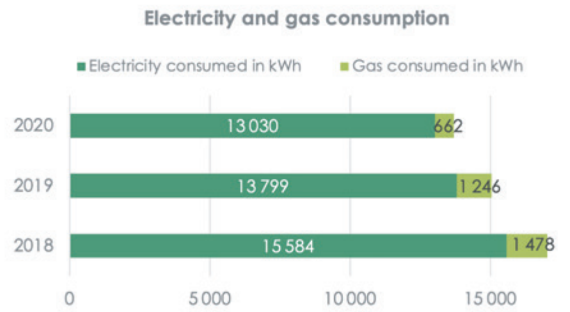
In a bid to reduce printing, we also offer our employees in France a secure digital vault service where they can store private, sensitive e-documents. For example, in France, employees can have their monthly payslip deposited automatically in a digital vault for storage, and the vast majority of them choose this solution.

2 Energy

Energy in the workplace

We have introduced simple ways of reducing energy costs on a case-by-case basis. For example, we encourage car-pooling and the use of shuttle services, we have installed time switches that automatically turn off the lights and air conditioning after hours, water fountains and coffee machines with inline water filters, electronic timers, motion-operated hand-driers, etc.

We also have maintenance contracts for our air-conditioning systems to ensure optimum performance. Most systems can shut off automatically if windows or loading dock doors are opened.



Energy-efficiency and IT equipment management

Increasingly, the Group is able to reduce its energy consumption by refurbishing its premises. In 2020, we installed thermal insulation and heat pumps at several of our sites. We use the services of an energy savings consultant to define our energy efficiency action plans, particularly within the framework of France's Tertiary Decree.

For over thirty years, Cegedim has designed, built, and run its datacenters and technological platforms with a focus on maximum energy efficiency. This approach makes both financial—it's a highly competitive market—and environmental sense. Environmental, energy, and financial concerns are factored in at every stage of a datacenter's creation—in its design, deployment, and operation. These issues are incorporated into every aspect of information systems hosting.

In 2020, our top priority was managing the Covid-19 crisis within the Group, and most importantly ensuring secure remote access to our systems. As a result, we had to postpone the solar farm project for one of our datacenters until 2021. We were nonetheless able to harmonize the way all our datacenters manage energy consumption. In 2021, Cegedim.cloud plans to examine ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) requirements in detail at all its premises to ascertain whether some of them could obtain certification.

The Green IT program and Datacenters

Our program to continuously improve the energy efficiency of our IT hosting services focuses efforts on three main areas:

Virtualization to ensure optimal use of IT resources: this process continues to significantly boost efficiency. In 2020, the number of physical servers stabilized, while the number of virtual machines (which have much higher per-unit efficiency rates) grew. The use of oversized servers also increases the ratio of shared services and optimizes energy consumption during periods of low activity.

Reducing server and IT equipment energy consumption: after updating our main computer hardware and then simplifying our computer network topology, in 2020, we maintained our performance and energy-efficiency. The overall standard of our services has not been affected, and data security and secure access remain top priorities.

Optimizing the efficiency of datacenter air conditioning systems: in recent years, we have successfully installed more environmentally-friendly air conditioning systems in all our datacenters. In 2020, we continued to install cold aisle containment solutions in our datacenters in France, and the expected improvement is still being felt. The installation of free cooling—a cost-effective method that uses the temperature difference between the air leaving the computer hardware and the ambient air—has helped reduce air-conditioning energy use at one of our French datacenters since 2017. One of our hosting sites harvests rainwater.

The 2020 roadmap for Cegedim Group's Green IT and Datacenter program aims to improve energy efficiency and reduce environmental impact. It included a partial update of the cooling system for one of the French datacenters that significantly reduced our electricity consumption in 2020 (by about 6%). The 2020 roadmap also includes the installation of heat pumps and waste heat recovery, and management of heat exchangers, fan-coil units, and chilledwater distribution, all aimed at obtaining C2E (Energy Savings Certificates) via ADEME (Agency for the Environment and Energy Management).

3 Sustainable procurement and consumption

Office supplies

We have streamlined our purchases and prefer to source our office materials from referenced suppliers who offer a catalogue of selected supplies. These suppliers must meet ISO certification standards and respect our ethical, environmental, and traceability standards.

We encourage our employees to purchase eco-friendly office supplies, as long as the price is reasonable. We only use recycled ecolabel paper or paper from sustainably managed forests for bulk printouts. We purchase our business cards from an ISO 14001 and Imprim'Vert certified supplier that uses ecolabel paper.

We take care to buy our promotional items and branded merchandise from suppliers that are also committed to sustainable sourcing and work with certified companies and manufacturers, particularly for clothing items. When a printing project is unavoidable, or for promotional items, we prefer to work with social enterprises that employ people with disabilities.

We only purchase food for our meeting rooms and do so occasionally and in very small quantities. We avoid food waste by consistently ordering limited amounts (of water and food) in individual portions and by carefully managing our stocks.

Telephone policy

Our telephone policy also factors in sustainability concerns. We purchase double-SIM mobile phones—so our employees can use the same device for both personal and professional purposes—with low SARs. We also plan to replace our landlines with VoIP solutions. All our telephones are recycled at the end of their lives. As part of a wider effort to streamline our sourcing, the mobile devices we offer our clients in package deals are the same ones we offer our employees.

Waste management and Recycling

Most sites have adopted waste prevention and management practices, notably for paper, cardboard, plastic bottles, and coffee pods. Cegedim Group is currently working to standardize best practices, especially for sorting and collecting recyclables from offices. In 2020, these best practices were adopted by all the Boulogne-Billancourt sites which work with an Entreprise Adaptée (adapted business) that helps people with disabilities find employment.

Local teams responsible for site services also encourage more responsible behavior and initiatives. Ink cartridges, batteries, and light bulbs are widely recycled throughout the Group and many of our subsidiaries increasingly choose to recycle their paper waste. Drink dispensers use recyclable cups, and new hires receive a reusable mug when they arrive. Filtered water fountains are increasingly common at Group sites, which helps employees limit their use of disposable containers.

6.6 | Upholding our reputation for quality and safety

6.6.1 | Quality

Results

Certifications 2020 | 2019	Continuous improvement 2020 | 2019	
87 | 77 Group products with certifications	518 | 336 R&D e-learning licenses	6 748 | 2 687 Hours of R&D e-learning

Key Performance Indicators and Objectives

R&D effort relative to revenues	Group research and development	Achieved 2020 | 2019
R&D	The R&D effort refers to payroll expenses for R&D staff as a percentage of revenues over the past 12 months. Although this percentage is not a targeted figure, it is stable compared with previous years.	14.9% | 12.3%

Certified expertise

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Security management

Cegedim has obtained certifications guaranteeing the quality of its security management expertise and upgrades. Cegedim.cloud, a Cegedim group subsidiary that houses all the Group's IT resources (both human and material resources), rolled out and operates an ISO 27001-certified data security management system for our French datacenters, our data and app hosting activities, and our managed services.

Risk analysis

We base our risk analysis strategies on safety methodologies and benchmarks, namely Business Impact Analyses (BIA) for continuity and Privacy Impact Assessments for GDPR. The risk assessments conducted by Cegedim.cloud and Cegedim Activ' as part of the ISO/IEC 27001: 2013 certification process are based on the EBIOS 2010 method of France's cybersecurity agency, Agence Nationale de Sécurité des Systèmes d'Information (ANSSI). These methods are also being adopted by the Group's other entities. They identify and assess the security risks to the availability, integrity, confidentiality, and auditability of the subsidiary's information, and they draw up a risk treatment plan, if required. Security risk assessments are also conducted for projects in our subsidiaries. The level of detail and the methods employed in these assessments depend on the project's sensitivity and the security requirements expressed at its onset.

Service Management System

Providing top quality products and services to our clients and partners is a cornerstone of our strategy. To maintain this level of excellence, Cegedim Group is committed to a continuous improvement policy. To meet its high quality standards, Cegedim.cloud takes a process-based approach using a Service Management System. This approach is based on the ISO 20000 standard, which is in turn based on the ITIL best practice framework. It also includes Capability Maturity Model Integration (CMMI) principles for project management and software development. This system is applied to data and application hosting, and infrastructure management services, and is run according to the principle of continuous improvement.

We account for security right from the start of every type of project (IT, business, or software development). We identify security requirements when projects are initiated. If these requirements are not formally defined in writing by the customer, or in the project specifications, we apply the standard security requirements of the subsidiary or organization concerned.

Standards and Certifications

The following companies and activities earned certifications:

- ISO 27001, ISO 20000, ISO 27017, ISO 27018 for Cegedim.cloud's hosting and managed services at the datacenters in France;
- ISO 27001 and ISO 20000 for Cegedim Activ's SaaS, managed services, and technical hosting activities (France);
- ISO 27001 for pharmacy IT supply, support, and maintenance services and Cyber Essentials+ at Cegedim Rx (UK);
- ISO 27001 for healthcare industry IT supply, support, and maintenance services and Cyber Essentials+ at INPS (UK).

Cegedim has obtained the following accreditations to host personal health records:

- Cegedim SA is accredited to host personal health records (HDS accreditation) in France;
- Cegedim.cloud is certified to host personal health records (HDS certification) in France.

Quality and internal control – ISAE 3402

Since 2012, Cegedim Group has employed quality and internal control procedures in accordance with the ISAE 3402 (International Standard on Assurance Engagements) Type II standard, which is reviewed annually. This standard, which stemmed from the United States' Sarbanes-Oxley Act (SOX), requires the suppliers of companies applying it to be audited for financial risks too. The examination is carried out annually by a third-party auditor recognized by the Auditing Standards Board of the American Institute of Certified Public Accountants.

The following companies and activities have earned the ISAE 3402 Type II standard:

- Cegedim.cloud for all its activities;
- Cegedim Activ' for its SaaS, managed services, and technical hosting activities;
- Cegedim SRH for all its activities;
- CETIP for all its activities;
- iGestion for all its activities.

Product certification

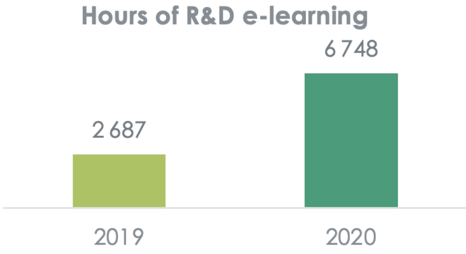
Cegedim Group products enjoy a variety of certifications and accreditations specific to the countries, regions, and industries in which they are sold. In France, these include SesamVitale, HAS, DMP, ADRi, LAP, TLSi, e-santé (CDS/MSP), e-Prescription, e-Carte Vitale, ANSM, and the CE mark. In Belgium, they include EHealth / CIN, MyCareNet, Hub et coffre-fort, Recip-e, SAM, and BelRAI. In the UK, they include NHS, EMIS, TPP System One, MHRA, NMVS, Research Ethics Approval. These certifications and accreditations—which are regularly renewed—demonstrate that our high-quality products and solutions meet the strictest standards.

Aiming for operational excellence with continuous improvement

Research and development

Cegedim devotes a large share of its resources to innovation and Research & Development. Our efforts in this area represent a significant—and growing—share of both revenue and human resources. This proactive policy allows us to offer products and infrastructures that meet the latest quality, security, and environmental standards and requirements.

We verify our technological developments using a process security policy, change control procedures, a technical review of applications after the changes, acceptance procedures and tests. Our environments undergo security and engineering checks that meet the highest standards and best practices.



Information systems security audits

Every year, the Head of Information Systems Security defines the general security objectives for the Group and its subsidiaries, in agreement with senior management. It monitors the implementation of measures required to meet the security objectives at monthly Group Security Committee meetings.

Cegedim Group regularly audits the security of its information systems. Independent assessments are carried out regularly within the group: internal and external audits, certification and customer audits, and vulnerability checks. These audits are conducted in such a way as to safeguard the independence of both the auditors and their findings.

Managing suppliers

The IT supplier management process is part of Cegedim.cloud's Service Management System. It guides relations with suppliers and monitors their performance for the duration of the relationship. Suppliers are assessed according to the quality, innovation, security, and cost of the service they provide.

In compliance with current regulations, we also assess our non-IT suppliers. The Group Procurement department conducts annual reviews of critical suppliers, which include both central and Group entity suppliers.

Continuous improvement

Because our business is growing, there has been a significant increase in the amount of data hosted and processed, which has inflated volumes and increased the need for storage capacity. Apart from financial considerations, the Group's R&D efforts focus on how it can responsibly manage this growth while minimizing its resource usage and environmental impact. As a result, while the amount of data hosting and processing will increase, growth in data volumes can be expected to slow as the Group finds ways to better compress and manage these volumes. This was the case in 2020, when we successfully reduced the amount of storage space needed by two-thirds despite growth in gross data volumes.

Synergies and internal organization

We manage our workforce using our own human resources and skills management tools and services. Our SRH subsidiary, which specializes in outsourced HR management, offers a range of solutions and services, from payroll management to employee management, with its Smart RH offer. Its TeamsRH platform is a complete, modular tool with a wide range of functions that meet the needs of every organization: payroll and personnel administration, HR portal, HR monitoring and decision-making, career and skills management, training, time and activity management, etc.

Reputation and external communication

We care deeply about our image and reputation. Only employees with delegated authority may communicate on the Group's behalf about its activities, products, partners, and suppliers. This applies to both traditional media (press, websites, radio stations, etc.) and social media. This issue is covered in full in the Code of Ethics, which also informs our employees about the need to use social media responsibly and respectfully.

6.6.2 | Protecting stakeholder data

Results

Processed data[1]

2020 | 2019

18,446 | 36,011

Volumes of health data processed in gigabytes[2]

(1) Data is processed in accordance with applicable regulations, notably those covering personal data and health data, and as defined by the GDPR.

(2) A significant technological change reduced the amount of storage space needed. For the purposes of comparison with this result, the restated volumes for 2019 are of 12,697Gb.

Cegedim.cloud systems security checklist

Cegedim.cloud systems security checklist	2020
Raise awareness (training, e-learning, anti-phishing campaigns, etc.)	☑
Regular security committee meetings	☑
Internal audits	☑
External audits	☑
Risk analysis	☑
Vulnerability audits	☑
Penetration tests	☑
DRP tests	☑
Information System Security Policy review	☑
Information System Security Charter signed by new employees	☑
Maintaining certifications	

Key Performance Indicators and Objectives

Completion of the security checklist	Securing our information systems	Achieved	Objective
	We completed all of the items on the security checklist below.	2020 | 2019 100% | 100%	Maintain at 100%

Increase in the volume of hosted data in gigabytes[3]	French datacenters	Achieved	Objective
	Data volumes grew because existing clients experienced organic growth and because we acquired new clients. *(3) Hosted data refers to the data stored in our datacenters and may include both processed data and raw, unprocessed data.*	2020 | 2019 +31% | +52%	Contain the growth in volumes vs the growth in the amount of data.

1 Information system security

A secure, resilient, durable infrastructure

Cegedim strives to build robust security for its sites and datacenters. Cegedim Group supplies technology and services related to information, so one of our top priorities is ensuring that our clients and partners are entirely comfortable with the level of data and system security. Security is an ongoing, vital concern, and the Group does all it can to limit the impact of events that might damage its assets, products, or infrastructure. Its on-site risk-control policy focuses notably on covering fire, flooding, or other natural disasters, as well as power outages and cyberattacks, such as malware or penetration.

High availability architecture

The Group has substantial expertise in managed services and in the management of financial flows and digitalized documents. The highly strategic and sensitive nature of these activities led the Group's IT teams to design and build equipment and architecture with a very high degree of availability. These resources meet the most demanding security requirements, notably for hosting personal health data. For example, we offer our clients a comprehensive private cloud service, available in either PaaS (Platform as a Service) or SaaS (Software as a Service) mode. To do so, we draw on our hosting capacities and implement Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP).

Business and service continuity

The Group spreads out its centers geographically and uses state-of-the-art information technologies to execute its business and service continuity strategies. It also has appropriate insurance policies covering certain industrial risks.

Despite the Covid-19 pandemic and increased threats of cybercrime in 2020, we managed to maintain the same high standards of service for our clients. A dedicated security team with experience in critical data hosting oversees operating security, in conjunction with a 24/7 Security Operations Center (SOC). Each Cegedim Group subsidiary has its own internal and centrally coordinated security organization.

As part of its policy of continuously improving information systems security, Cegedim pledges to investigate any weakness in the system reported by employees, clients, or third parties via the dedicated email address: security@cegedim.com.

System and data security

The Information System Security Policy developed by the Group covers system and data security and is supplemented by an Information System Security Charter included in every employee's job contract, as well as a guide to data security available on the Group intranet.

Anyone who uses the Cegedim Group information system is regularly informed of security best practices and the regulations that apply to their business activities. Information sessions devoted to security may take place in person or remotely, for example via an e-learning course or webinar. Subsidiaries are free to raise awareness of issues specific to their activities, in addition to the actions carried out at the Group level.

Data protection

The policy and charter rules and recommendations aim to protect data in all its forms—spoken, paper, or electronic—and respect its confidentiality, integrity, availability, and non-repudiation. They cover not only the Group's information systems (networks, computers, software, data, and communication and copying resources), but also information shared orally or in writing, and physical protection both on and off the company's premises. Cegedim Group subsidiaries lay out specific rules for this security policy in a set of documents governing security within the scope of their business activities, using the Group IS Security Policy as a mandatory baseline for which rules to apply.

Specific clauses have been added to the job contracts of employees whose responsibilities expose them to data, confidentiality, and intellectual property issues.

End of life of equipment

The Group has specific measures governing equipment disposal to ensure that data cannot be recovered. These measures also apply to any equipment that might contain confidential information. Old equipment that is not going to be physically destroyed must undergo high security formatting before it is reused or returned. Paper documents that are confidential or classified for internal use only are shredded.

2 Secure data collection and protection

Healthcare: a sensitive industry

The Group is well aware that it operates in the sensitive healthcare sector. It does everything necessary to minimize and/or anonymize the data it collects, particularly health data; host this data securely; and ensure that studies are conducted according to ethical standards that are frequently monitored by its clients.

Databases

The Group's real-life patient and prescription databases, which have been chosen by the French and UK health authorities, contain anonymized data collected by a permanent network of nearly 3,000 private practitioners, primary care physicians, and specialists. The databases have a European structure and record over a billion medical procedures: patient and prescriber profiles, diagnoses and illnesses, prescriptions and treatment plans, reimbursements, and results of certain tests. The Claude Bernard Database of medicine and healthcare products helps make the entire medication chain to the point of fulfillment safer, and it allows users to offer patients high quality advice. The database is used daily by healthcare professionals in France and around the world.

Personal data

In the course of our business activities, we collect individuals' personal data. Cegedim implements state-of-the-art security measures to ensure an adequate level of protection. We collect data in a manner consistent with all the legal and regulatory requirements that apply in each country in which the Group operates, and with the contractual specifications agreed upon with our partners and clients. Cegedim Group has always made sure it complies with all applicable laws and regulations in the area of personal data protection. As soon as General Data Protection Regulation (EU) 2016/679 was made public, Cegedim began the work needed to ensure compliance from the moment the regulation took effect.

Data accuracy and quality

Data accuracy and quality are indispensable if Cegedim Group wants to continue to deliver tools and services that meet our clients' needs, thereby contributing to the healthcare systems of the countries in which it operates. The Group's GERS Data subsidiary supplies totally and irreversibly anonymized data and analysis made possible by a unique mass data collection system covering almost seven years. The data's representativeness is achieved by collecting from a variety of sector players. The R&D teams dedicated to this activity make it possible to collect, structure, and generate databases that can be used immediately, contain quality data, and comply with all personal data protection regulatory requirements. Apart from the quality of the data, Cegedim Group is also keenly aware of its societal value, given that its databases are used by healthcare professionals to help them diagnose patients and provide them with the correct medicines.

Data protection

Protecting personal data has always been a key concern for Cegedim Group. Our data protection policy reflects the Group's commitment to respecting these principles, and we regularly raise employee awareness of the issue through:

- training sessions on data protection and security,
- the Information Systems Security Charter,
- the Group Code of Ethics.

Cegedim sets rules and devotes adequate resources to ensure that equipment and information are handled in a manner consistent with their level of sensitivity. For example, equipment used to host confidential data is subject to heightened security measures, such as restricted access and data encryption. All users must apply the security rules that correspond to the category of information—published or not—that they handle as part of their job.

Copyright laws and Intellectual property rights

Our internal procedures aim to ensure that the Group and its employees do not break any laws regarding the copyrights of other companies, organizations, or individuals (patents, licenses, copyrights, trademarks, etc.). These measures also ensure respect for data confidentiality and integrity.

Management of intellectual property rights is governed by the IS Security Policy, contracts, and the security charter. Cegedim regularly informs its information system users about the rules that apply to intellectual property, notably via in-person and e-learning training sessions. Licenses are monitored as part of the configuration management process.

Personal data protection policy

The personal data protection policy was updated in 2018 when the General Data Protection Regulation (GDPR) came into force. It describes the general measures Cegedim Group takes to ensure adequate protection of the personal data it processes, either directly or through its outsourcing activities.

The policy applies to all Group subsidiaries in France and internationally, and to all data processing activities in which it engages. It lays out the guiding principles with respect to data processing: adhering to stated goals, proportionality and fairness, relevance and minimization, storage, security, accountability, rights of access and correction, respecting the legal data processing regulations.

Before the GDPR took effect in May 2018, the Group trained all its employees using an e-learning module and then tested them on what they had learned. We are currently developing an e-learning program on specific data protection topics to supplement the initial training.

Considering the diversity of its business activities, Cegedim Group has decided to appoint Data Protection Officers (DPO) for every entity and business unit. They also monitor compliance with GDPR and bylaws, guide the actions of the head of processing, provide advice when asked about impact analyses and verify that these are conducted. DPOs also act as the point of contact for and cooperate with the National Commission for Computing and Civil Liberties (CNIL), France’s GDPR supervisory authority.

6.7 | Making an ethical contribution to regional development

6.7.1 | Ethics

Results

The Ethics Committee

2020 | 2019

100% | 100%

Participation in Ethics Committee meetings

Key Performance Indicators and Objectives

Number of Ethics Committee meetings	The Ethics Committee	Achieved	Objective
	The Ethics Committee met in May and October 2020. No incidents were reported on the alert line.	2020 | 2019 2 | 2	Although meeting frequency depends on the topics on the agenda, the aim is to meet at least once every six months.

Number of translations of The Ethics Charter	The Code of Ethics	Achieved	Objective
	The Code of Ethics must be available in all the official languages of the Group's entities.	2020 | 2019 7 | 6	To have translations in all the languages of the countries where we operate.

Number of languages available in the Code of Ethics e-learning course	The "Ethics Charter" e-learning course	Achieved	Objective
	The Code of Ethics e-learning course must be available in all the languages the charter has been translated into. It is currently being translated into Italian—there were only two employees in Italy in 2020.	2020 | 2019 6 | 1	To have the e-learning course translated into all the Code of Ethics languages.

Success rate of the Code of Ethics e-learning course	The Code of Ethics e-learning course	Achieved			Objective
	The course is divided into a theory section and an assessment quiz with five hypothetical situations. Employees pass the test if they achieve a score of 80% or more. The success rate shown here is the quiz participants' success rate.	German	100%	N/A	To maintain a success rate of over 90%
		English	100%	N/A	
		Spanish	100%	N/A	
		French	99.6%	90.3%	
		Dutch	100%	N/A	
		Romanian	99.3%	N/A	

Our commitment

Cegedim Group has committed to respecting the ten principles of the UN Global Compact, the principles of the 1948 Universal Declaration of Human Rights, and the International Labor Organization's fundamental conventions. Cegedim complies with business laws and regulations and conducts all its activities honestly and fairly, in accordance with the highest ethical standards.

Jean-Claude Labrune, Chairman and CEO of Cegedim, has said that for sustainable growth and harmonious development to work, everyone must commit to behaving ethically.

1 Embracing the Code of Ethics

Our principals

For us, complying with the law goes beyond observing regulatory requirements and avoiding legal sanctions—it is an ethical issue. Ethics is a matter that concerns the behavior of all our employees worldwide, at all levels of the company, with no exceptions. It also concerns the behavior of all corporate officers and members of the executive and management committees of Cegedim Group and its subsidiaries worldwide.

The Ethics Committee

The Ethics Committee comprises five permanent members: The Director of Group Communications and Chairman of the Committee, the Director of Group Human Resources, the Group Chief Financial Officer, the Group General Counsel, and the Chief Investment Officer & Head of Investor Relations.

The Ethics Committee meets as often as necessary. In 2020 it met twice, on May 7 and October 2. Its work focused on the translation of the Code of Ethics, on rolling out the Sapin II Act e-learning course outside France, on information about the number of notifications and alerts, on the latest regulatory developments, and on reviewing possible ethical issues arising from management of the Covid-19 crisis.

Employees may contact the Ethics Committee if they have any concerns. No alerts were received in 2020.

The Code of Ethics

The Group's Code of Ethics was updated at the end of 2017. It is available in the Group's seven spoken languages: French, English, Spanish, Romanian, Dutch, German, and Italian. It is being translated into Arabic for Egypt and Morocco. It reaffirms our ethical commitment and factors in new laws and regulations on business conduct. It is also hands-on and instructive and includes concrete examples. The Charter aims to inform and protect Cegedim's employees by setting out the Group's ethical standards and related codes of conduct. It is also available to the general public on the Group's website.

The Code of Ethics is given to all new recruits and signed by them. When it is updated, the latest version is emailed to every employee and a hard copy is sent to Cegedim Group's Business Directors, board members, and senior executives. These people promote the values and commitments of this Charter among their employees and ensure that they are upheld.

An e-learning program was created with specific modules for training employees on the Code of Ethics. The first module, launched in 2019 for employees in France, and in 2020 for employees outside France, covers topics from the Sapin II Act—confidential information and equal treatment of suppliers. All new hires take this e-learning course as part of their onboarding process.

Human rights

Cegedim Group is present in many different countries and keeps an eye on local conditions, particularly regarding respect for human rights and corruption. We pay close attention to the reports published by organizations like Transparency International and Human Rights Watch, so we can identify risks and potentially sensitive issues. We also endeavor to defend and respect fundamental human rights and all charters and policies pertaining to those rights on our premises, while also complying with the laws of our host countries. All Group employees, including those in the countries most at risk, may use the ethics hotline to confidentially report any difficulties, both inside and outside the company.

Fighting corruption

We are committed to fighting corruption in all its forms and actively apply the relevant portions of France's Sapin II Act. Bribery is forbidden in all the countries where we operate, and extra precaution is used when representatives of public authorities are involved. We have a zero-tolerance policy on corruption, and this includes facilitating payments, i.e. payments made to complete or expedite certain administrative formalities.

Fair trade practice

We place great importance on choosing our suppliers fairly. They must comply with the principles stipulated in our Code of Ethics and make sure they respect the same principles with their own suppliers and subcontractors. If they do not, Cegedim reserves the right to re-examine and possibly terminate the relationship, in accordance with the law.

Our employee ethics training and awareness raising program includes an e-learning module on competition law and the fair treatment of third parties in our commercial relationships. These issues are part of the e-learning course developed by our Legal Department, which continued to roll it out in 2020.

2 Being a responsible company

A responsible company

Cegedim Group applies local laws in all the countries where it operates and has taken steps to ensure that it complies with their requirements, particularly regarding corporate social responsibility. In all its host countries, Cegedim respects the principles of the International Labor Organization's conventions (nos. 29, 100, 105, 131, 111 & 138). Management applies these principles and the Human Resources department teams enforce them.

Fighting tax evasion

Cegedim faithfully reflects its operations in its accounts and communicates independently and completely transparently about its performance. Cegedim is committed to ensuring the simultaneous, effective, and complete dissemination of financial information that is relevant, accurate, detailed, and truthful in a manner that is timely and consistent with previous publications. We have implemented internal procedures to ensure that our employees work for clients with lawful activities and no financial links to criminal or illegal activities. We also hire a French tax specialist that systematically verifies sensitive operations, and our OECD-compliant price transfer and margin rate policy, to ensure that we respect best practices and current French tax regulations. Cegedim Group does not have any legal entities (companies, subsidiaries, or representative offices) in countries on the list of Non-Cooperative States published by the French Ministry of the Economy, Finances, Action and Public Accounts.

Digitalization

Some of Cegedim Group's products and services serve a social purpose. These notably include the digitization of management documents, and business processes automation from ordering to invoicing and payment. Cegedim e-business (SY by Cegedim), a process automation and digitalization specialist since 1989, designs, develops, and markets invoice digitization, probative value filing, and EDI offers in Europe and the rest of the world. These offers are supplemented with electronic signature and business process digitization tools, as well as a digital vault which enables electronic documents to be stored with probative value.

6.7.2 | Contributing to regional development

Results

Community measures
2020 | 2019

12 | 10	52 | 57	519 | 481	66 | 69	14 | 12
Number of countries where Cegedim is present	Number of sites in France	Number of mobile workers in France	Number of sites where the Group is present	Number local offices outside France

1 Creating lasting employment

Local impact

We monitor the local impact of our activities, in terms of both employment and regional development. We have operations in a dozen countries. New employees are typically hired locally, which helps to boost the local economy. Some of our entities work with local authorities and employment agencies.

We have patronage and social schemes in a large number of locations in France and internationally, and not exclusively at our head office location.

Local jobs

Cegedim's compensation policy is fair and equitable and we aim to pay our employees competitive wages in line with labor market practices in all the countries where we operate. Employees are typically hired locally, and we make sure that our operations make a positive contribution to the countries where we are present. We also comply with all local legislation, including laws governing compensation, and respect ILO conventions 100 and 131. The Human Resources department ensures that this principle is applied in each country.

Our international mobility policy ensures that employees retain their health and personal protection benefits while on assignment abroad and includes the necessary provisions for their return or repatriation.

Subcontracting

In France, subcontracting is regulated by centralized agreements, while in other countries, subcontracting agreements are managed locally. Cegedim also subcontracts part of its activities to its own subsidiaries to ensure that the quality and safety standards it requires are applied. For example, some specific IT support or back-office services are provided by its subsidiaries in Morocco and Romania. In 2020, because of the complex health situation we used the services of subcontractors significantly less.

Committed to revitalizing regions

Some services offered by Cegedim in France also help solve regional development—or desertification—issues and, what is more, digitization is an eco-friendly solution. The Sesam-Vitale data transmission tools—where Cegedim is the leader in France; the development of Maiia's remote medical consultations—enabled by regulatory changes in recent years; the digitization of patient medical records for preventive health care; the European strategy for convergent and integrated healthcare: all these measures reduce our customers' environmental footprint and are designed to improve coverage of territories with a low number of doctors per capita. It is estimated that in France over 7 million people no longer have access to medical treatment close to home. Medical desertification is accelerating in France, with the share of the population affected up from 8.6% in 2016 to 11.1% in 2019. This is a critical social issue and Cegedim intends to be one of the major players providing suitable, high-quality solutions to national healthcare issues and for the French government's healthcare system reform, dubbed MaSanté 2022.

2 **Giving back to the community**

We encourage giving back to our local communities in all the countries we operate in. Cegedim subsidiaries organize initiatives at their discretion. For example:

- Galerie d'Aguesseau, the art gallery in our head office building in Boulogne-Billancourt, exhibits the work of about ten artists a year and regularly promotes local artists.
- Cegedim joined the fight against cancer in 2017 when it partnered with the Institut Gustave Roussy. It notably supports the Gustave Roussy Foundation's "Cure childhood cancer in the 21st century" campaign.
- Cegedim.cloud and Cegedim Insurance Solutions also help the fight against cancer by taking part in charitable races, Pink October and Movember.
- Futuramedia helped Établissement français du sang (EFS), the French blood agency, and Restos du Coeur, which delivers meals to the needy, broadcast their digital campaigns again this year. They ran ads free of charge in over 400 French pharmacies taking part in the scheme.
- Since 2014, Cegedim Outsourcing has been a partner with the city of Meudon of the First Lego League annual robotics challenge for kids ages 9 to 16. In 2020, some 20 teams competed in this event, which aims to get youngsters interested in science and technology: computer programming for sustainability, animal protection, or renewable energies.
- Cegedim Insurance Solutions is a partner of Nos Quartiers ont des Talents, a nonprofit which helps young graduates find jobs or internships through a network of companies committed to promoting equal opportunities and youth employability. University graduates under the age of 30 from humble backgrounds or priority neighborhoods are mentored by experienced working managers, and even senior executives.
- CSC Romania teamed up with a local NGO to organize a charity sale of artisanal products for a school for disabled and underprivileged children in Bucharest.
- As part of a Christmas 2020 Red Cross initiative, Maiia collected toys from employees for underprivileged families.
- HDMP Belgium organizes fundraisers twice a year to help children with chronic diseases continue their lessons in hospital or at home.
- CSC Romania works daily with a nonprofit that helps reintegrate socially excluded people by running sustainable activities like computer recycling, organic vegetable growing, and making advertising banners from discarded textiles.

Because of the Covid-19 pandemic, several initiatives had to be cancelled, most notably the "Les Foulées de l'Assurance" charitable races that Cegedim Insurance Solutions has sponsored since 2016. The 2020 edition of the race which raises funds for the prevention of cardiovascular diseases, due to be held in March and initially postponed until September, was ultimately cancelled because it was difficult to predict how the health situation would evolve.

6.8 | Methodological note

Scope of consolidation	The information contained in this report concerns the whole of Cegedim Group, i.e. the parent company and all its fully consolidated subsidiaries, unless a different scope is expressly stipulated. In general, the comments are more detailed and the illustrations more numerous for the French companies, which represent 65% of the total Group workforce. Unless otherwise specified, the human resources figures are for all the fully consolidated companies worldwide, i.e. 70 companies.
Information sources	In order to ensure the consistency and reliability of the indicators monitored in all its entities, the Group has developed shared human resources and environmental reporting tools. They include methodological instructions and definitions to ensure that the questions are clear and the answers comparable. The human resources figures were collected using the TeamsRH database developed by the Group. This database enables workforce data as well as other human resources information to be monitored in each country. It meets the security and confidentiality requirements and is compliant with the data collection and processing laws of each country, which are strictly observed. It is updated daily by the Human Resources teams in the Group's various subsidiaries. The other quantitative data is collected via a questionnaire that is included in the annual consolidation package and is completed by each of the consolidated subsidiaries. Data relating to external suppliers is also used, notably statistics from travel agencies relating to CO_2 emissions, and invoices and annual reviews prepared by energy suppliers that show the energy consumption in kilowatt hours. The qualitative information in this report is based on interviews with the managers from the relevant departments, both at the Group's head office and in the subsidiaries (notably in the Human Resources, Information Technology, and Finance departments). A questionnaire is sent to each country in which the Group operates and completed under the local Financial Director's responsibility. It can be completed—one questionnaire per country—until the closure of annual accounts. The survey's purpose is to assess how much is known about the Group charters and whether their measures are applied. It is also used to provide qualitative information on international subsidiaries' best practices and initiatives regarding human resources, environmental, social, and ethical issues. If need be, additional interviews may be conducted based on the responses.
Reporting period	The information in this report covers a 12-month period from January to December 2020. The only exceptions are the energy consumption indicator, which is based on a rolling 12-month period with a maximum difference of two months on the previous fiscal year.
Methodological explanations and limitations	The methods used for some of the indicators may have limitations due to: - The lack of nationally and/or internationally recognized definitions (for example, for the different types of employment contract); - The need to use estimates, the representativeness of the measurements, or the limited availability of external data needed for the calculations; - The practical and legal methods of collecting and entering data (for example, storing information about employees' age or gender may be forbidden in some countries). Where necessary, the reporting scope and completeness of the measurements for some indicators have been adjusted. This is indicated in the report. Notably: - The information needed to calculate the frequency and severity of work-related accidents could not be collected across the Group. The number of work accidents is nonetheless provided;

	- CO_2 emissions only relate to business travel in 2020 of French entities, representing 65% of the Group headcount; - Electricity and gas consumption in kilowatt-hours refers to the entities established in France, Morocco, Romania, and the UK, which represent 94% of the Group workforce, and also includes establishments for which the data is available (Chile and Germany). A marginal number of premises are excluded since their utility costs are included in the rent and do not significantly affect the published information. - We used the ADEME 2020 formula to value electricity and gas usage into their CO_2 equivalents. - Group-wide absenteeism was calculated using data from the subsidiaries in France, Morocco, Egypt, Romania, Spain, the UK, Germany, and Chile, which represent 99.9% of the total workforce. - Indicators for the Group-wide car fleet include vehicles owned by entities in France, Romania, Germany, Belgium, the UK, and Morocco. The vehicles owned by our Spanish subsidiaries could not be included in the indicators, but their number is negligible. The Group intends to continue to gradually expand the scope of these indicators to a larger number of countries and to other sources of emissions.
Non-applicable indicators	Given the Group's activities, the following indicators are not considered to be applicable: - Food waste; - The fight against food insecurity, respect for animal welfare, and ensuring fair, responsible, and sustainable food sources.
Consolidation and internal controls	The data are consolidated under the responsibility of the Human Resources and Internal Control departments at the head office of the consolidating entity. An initial validation of the data is carried out by the persons responsible for collecting it. Consistency checks are then carried out by these departments when consolidation takes place. These checks include comparisons with data from previous fiscal years. Any differences considered to be significant are analyzed. Checks also include ratio analysis when data can be related to the workforce, to a business activity, or to another relevant indicator used to compare entities.
External controls	In order to obtain an external opinion on the reliability of the data and the soundness of the reporting process, an independent third party was asked to attest to the Declaration's conformity with the provisions of article R. 225-105 of the French Commercial Code and issue an opinion as to the accuracy of the information provided, i.e. policies, actions, and results, including key performance indicators relating to the main risks. Therefore, specific checks were conducted regarding the information in the report, such as key indicators of the Group's Statement of Non-financial Performance. The independent third-party Assurance Report explaining the verification procedure, together with the auditor's comments and conclusions, is included in this Statement of Non-financial Performance and in the Group's Universal Registration Document (URD).

6.9 Audit report by an independent third party

For the year ended December 31, 2020.

To the shareholders,

In our capacity as independent third party accredited by COFRAC (accreditation number 3-1058; requirements available at www.cofrac.fr), member of the Mazars network, and the Cegedim SA's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2020 (hereinafter the "Statement"). This Statement is spontaneously included in the Group management report with reference to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105, and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in respect of those risks, and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in this statement available on the web site or request from the entity's head office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control that includes documented policies and procedures designed to ensure compliance with ethics rules, French professional guidelines, and applicable legal and regulatory requirements.

Responsibility of the independent third-party auditor

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

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided in reference with point 3° of article R. 225 105, paragraphs I and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented with respect to the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on: the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation; nor on the compliance of products and services with applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, with the professional guidelines of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and as well as with ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information-:

- We obtained an understanding of all the consolidated entities' activities and the description of the main risks;
- We assessed the suitability 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 as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;

We verified that the Statement provides the principal risks required under article R. 225-105 II and includes, if relevant, an explanation for the absence of the information required under article L. 225-102-1 III, 2;

- We verified that the Statement presents the business model and the principal 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 related to the main risks;

- We referred to documentary sources and conducted interviews to corroborate:
- the consistency of the outcomes and the key performance indicators used with respect to the principal risks and policies presented;
- the qualitative information (measures and outcomes) that we considered to be the most important presented in Annex 1. Our work concerning all the risks presented in this Statement was conducted at the parent company level.
- We verified that the Statement covers the scope of consolidation, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16;
- We became acquainted with the internal control and risk management procedures implemented by the entity and assessed the collection process designed to ensure the completeness and truthfulness of all information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented and presented in Annex 1:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
- substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a french legal entities of the Cegedim Group and covers between 65% and 100% of the consolidated data relating to these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of three people between November 2020 and March 2021 and took a total of two weeks.

We conducted six interviews with the people responsible for preparing the Statement, notably representing the Sustainable development, Interal Control, Human Resources, and IT & Security departments.

Conclusion

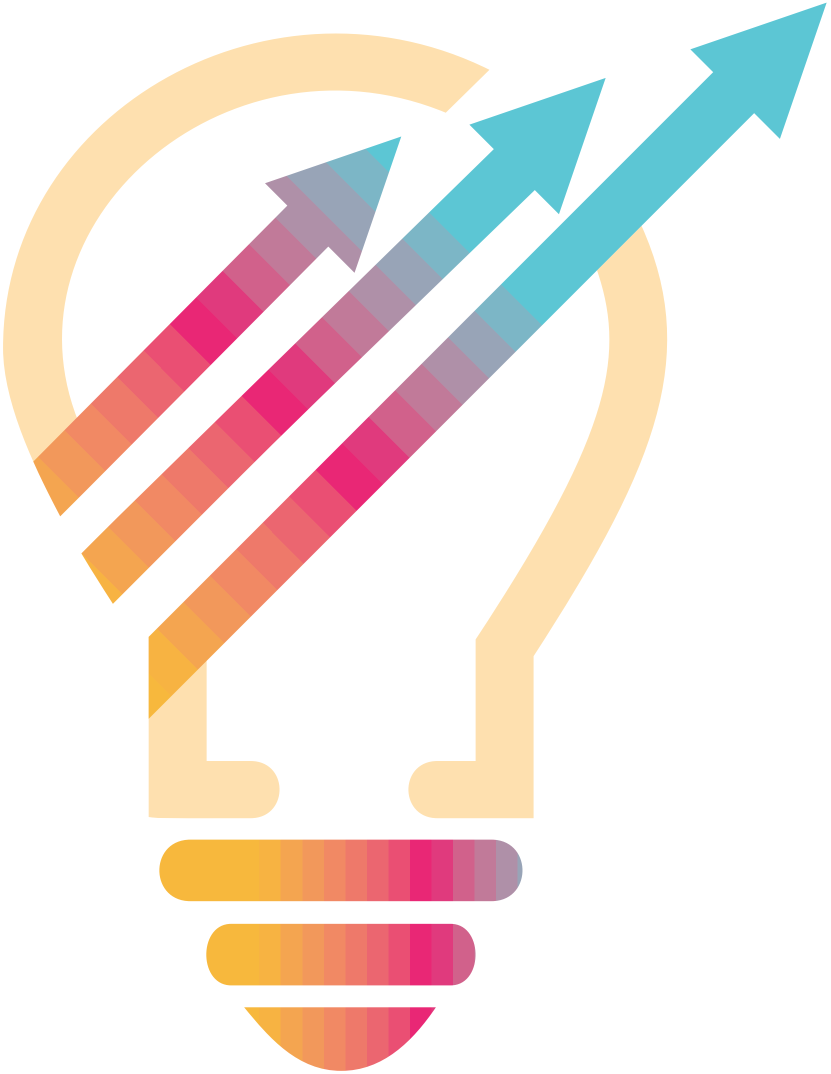
Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

The independent third-party auditor.

MAZARS SAS

Paris La Défense, March 25, 2021

Jean-Philippe MATHOREZ Partner	Edwige REY CSR & Sustainable Development Partner



07

RISK MANAGEMENT

7.1 Risk management policy

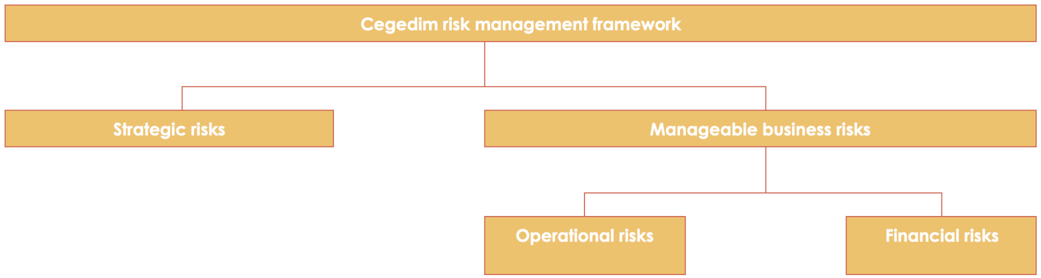
At Cegedim, we understand that in doing business we face a range of risks. Risk-taking is a condition of maintaining a sustained favorable profitability. Our success, and that of our partners, depends on identifying and mitigating these risks as early as possible. Our risk management process reduces uncertainty and keeps us on track to achieve our ambitions and deliver value to our stakeholders.

Risk definition

Risks are defined as potential developments and events that may result in a negative divergence from company objectives and forecast, and they stem from uncertainty regarding the occurrence of an event. Uncertainties may be due to events in the world and can affect industries and markets and thus have an impact on Cegedim's aspirations and vision. These uncertainties may provide opportunities, which the Group tries to capture in its strategy. In some cases, the Group can influence the likelihood that a risk-related event will occur. In other cases, when such events are beyond the Group's control, the Group strives to minimize their impact.

Cegedim risk management framework

Cegedim faces different types of risks that can be divided into Strategic risks, which are exogenous, andManageable Business risks, which are endogenous. The Strategic risks are related to the Group's strategy and are impacted by the external environment, while the Business risks comprise Operational and Financial risks. Active risk management is essential for Cegedim to drive successful operation and, accordingly, the Group monitors and minimizes key risks in a structured and proactive manner.



Identifying and managing our risks

For a complete view of our key risks, we use a Group-wide process that is repeatable and comprehensive. Local entities and subsidiaries are first consulted annually to identify their top risks. These are consolidated into a complete view for the Group, linked to annual strategic plans, taking into account the previous year retroactively and future years proactively, as well as any expected market developments. The Finance and Internal Control departments also catalog, evaluate, and rank major risks. Senior Management approves and coordinates the results of this comprehensive process. The consolidated overview allows us to describe our principal risks, as we have done below.

Risks are assessed based on a two-dimensional heat map rating system that estimates the impact of a risk, including on financials or reputation, and the likelihood of that risk materializing. The most significant risks are reviewed and assessed by the Audit Committee and the Board of Directors.

Cegedim's Chief Compliance & Risk Officer is responsible for the process. She also ensures that Senior Management promotes risk awareness, involvement, and ownership across the organization.

The Group's risk management is consistent with the framework recommended by the AMF.

This section includes a description of the risks adopted for the Group's Statement of Non-Financial Performance, prepared pursuant to Article R.225-105 I ° of the French Commercial Code. These risks are formally identified by the acronym "SNFP", and the management policies and risks are described in Chapter 6 of this document. For more information on these risks, please see Chapter 6, "SNFP".

Risk ranking

The risks identified by the Group have been ranked according to their level of criticality, which is based on their likelihood and the severity of their impacts, as presented in the table below. In each category, only the top three risks are ranked:

Strategic risks

1. The Covid-19 pandemic
2. The regulatory environment
3. Competition and market consolidation
4. Brexit

Operational risks

1. Dependence on IT systems and Cybersecurity
2. Data protection
3. Human Resources: Attracting, retaining, and developing talent

- Commercial appeal
- Acquisitions, divestments, and investments
- Litigation
- Compliance with national and international tax standards
- Business ethics

Financial risks

1. Goodwill and intangible asset impairment
2. Liquidity
3. Interest rates
4. Foreign exchange

Specific risks

The Group has identified a certain number of risks considered to have minimal impact. However, it is important for readers to be aware that they exist. They include seasonality, a controlling shareholder, and minority investments, as detailed below.

Seasonality

What is the risk?

The Group's business is somewhat seasonal, which is common for companies that sell software and supply data. This is largely due to the seasonal nature of Cegedim clients' decision-making processes. Some clients invest in the Group's products at the end of the year so that they will get the full benefit when they make their annual budget, or to have a complete view of past activity, or so that recurring services are available for the start of the following year.

Over the year, the Group generates slightly more revenue in the second half than in the first half.

% of reported revenues	2020	2019	2018
First quarter	24.4%	23.7%	23.9%
Second quarter	23.1%	25.1%	24.7%
Third quarter	23.9%	23.5%	23.3%
Fourth quarter	28.5%	27.7%	28.1%
Total	100.0%	100.0%	100.0%

The proportion of EBITDA generated in the second half of the year is generally much higher than the EBITDA generated during the first half of the year.

% of reported EBITDA	2020	2019	20187
First half	36.8%	44.9%	43.4%
Second half	63.2%	55.1%	56.6%
Total	100.0%	100.0%	100.0%

How we manage it

Budgets and monthly reports take seasonality into account. Management takes seasonality into account throughout the year and in its full-year estimates.

We systematically report seasonality over the past three years in financial publications to ensure investors have pertinent information.

Controlling shareholder	**What is the risk?** Cegedim is a family-controlled company. Voting control of Cegedim is held by FCB (owned by a small group of individuals that are members of the Labrune family, several of whom are also Board members). As at December 31, 2020, FCB owned approximately 53% of our outstanding shares (2019 – 53%) and 68% of voting rights (2019 – 68%). As a result, FCB is able to elect all members of the Board and to control the vote on most matters submitted to a shareholder vote. **How we manage it** On March 19, 2020, the Group adopted the Middlenext Governance Code, and the Board of Directors has three independent directors. The Board of Directors has four standing committees, including the Nomination Committee. Its chief tasks are to review and make proposals to the Board of Directors regarding the creation of a succession plan for corporate officers in the event of an unplanned vacancy.
Minority investments	**What is the risk?** Cegedim carries out some of its business through companies in which control is shared with, or exercised by, other partners. In 2020, the Group's share in the net income of equity affiliates accounted for around 11% of Group Operating Income. A deterioration in the performance of these companies may impact the Group's results and financial position. Cegedim could be subject to decisions which are harmful to its interests. Furthermore, the application of management rules and principles in these entities may differ from those adopted by Cegedim for entities over which it exerts exclusive control. Access to financial or operational data could be more limited than in the entities where Cegedim exercises exclusive control. **How we manage it** The Group aims to define appropriate governance methods by seeking to be represented on the Board of Directors (or a similar decision-making body), and more generally, to negotiate contractual or governance provisions that are in Cegedim's best interests.

7.2 | Risk factors

7.2.1 | Strategic risks

STRATEGIC RISKS	
STRATEGIC RISKS The Covid-19 pandemic	**What is the risk? / How we manage it** Faced with the recent development of the Covid-19 pandemic and its effects on the European economy, the Group has activated its continuity plans and is closely monitoring any impact on its activities. We support our customers, partners, and employees during this difficult time. However, at this stage it is still too early to fully assess the impact on Cegedim's business operations and financial results. For more information, please see note 4 "Impact of the Covid-19 pandemic" in section 4.6 of Chapter 4, section 3.6 "Outlook" of Chapter 3, and section 6.3 'Group CSR risks, challenges, and goals " point "Impacts of the Covid-19 pandemic on Cegedim Group" of Chapter 6.
STRATEGIC RISKS The regulatory environment	**What is the risk?** Cegedim must comply with a multitude of local and international laws as well as more specific regulations. These include product and service certification requirements, data privacy, anti-money laundering, Solvency II, competition law, anti-bribery law, intelligence, and economic sanctions. The Group's businesses are subject to a growing number of regulations, specifically in the healthcare space. Regulatory decisions and changes in legal and regulatory systems could materially and adversely affect our business, results of operations, operating procedures, and profitability. Such changes may not be anticipated or, where they are anticipated, our assessment of their impact on us and our business may not be accurate. The regulatory environment governing healthcare—and more specifically health insurance and health data—regularly undergoes massive changes, and regulations are heavy. For example, the recent strengthening of personal data protection regulations, including the General Data Protection Regulation, increases the risks associated with regulatory non-compliance. See "Major trends by Business group" Chapter 1, section 1.4, "Major trends by Business Group " and the "Data protection" risk in this chapter. Changes to our regulatory regime could increase the cost of updating or developing a new service, restrict or impede the way we provide our services or manage our networks, or alter customer perceptions of our operations. Additionally, through Maiia, we are entering into new areas such as remote care, which are less predictable from a regulatory regime perspective. These market segments may be regulated differently in certain countries, and may be subject to political intervention. **How we manage it** - We seek to comply with all applicable laws and regulations in all our markets. See "Business ethics" risk. - We have subject-matter experts on our legal and regulatory teams, both locally and at the Group level, and a robust compliance policy. - A significant majority of Cegedim's revenue is generated from the sale of its products and services to healthcare companies and healthcare professionals. - Cegedim actively participates in discussions by presenting its positions and solutions to the industry and other stakeholders, be they local decision-makers or lawmakers. - We seek to process personal data honestly, ethically, with integrity, and always in a manner consistent with applicable laws and our values. See "Data protection and Business ethics" risk. - Our activities, products, and solutions are certified to ensure they respect standards and quality in execution (for more detail, see Chapter 6 "SNFP"). We raise awareness and train employees in all aspects of conducting business ethically. This program defines our ethical culture across the organization and ensures employees understand their role in guaranteeing compliance.

STRATEGIC RISKS
Competition and market consolidation

What is the risk?

The markets in which Cegedim is present are sensitive to factors such as regulatory changes, or technology or business model disruption. There is no assurance that our current or future competitors will not provide services that are superior to ours or at lower prices, adapt more quickly to evolving industry trends and customer needs or changing market requirements, enter markets in which we operate, or introduce competing services. Any of these factors could increase or introduce churn, or reduce our business market share or revenue.

Consolidation among competitors and customers has the potential to make the market more stable. That could increase our competitors' and customers' financial strength and bargaining power.

Lastly, digitalization is a key growth lever for the Group; however, it might cause market disruptions or business model changes in all Cegedim business activities. The developments in the teleconsultation markets are an illustration of this.

How we manage it

- We monitor the competitive landscape in all markets to assess risks.
- We continuously invest in innovation to ensure that our product portfolio contains the latest concepts and applications.
- The diversity of the Group's business activities, the depth of its technology portfolio, and its openness to innovation strengthen its ability to adapt to changes in its markets.
- As with any company, Cegedim has limited resources, and we must at all times select and invest in the new technologies we believe provide the best potential for our customers.

STRATEGIC RISKS
Brexit

What is the risk?

The UK's decision to leave the European Union ("Brexit") could result in a downturn in the country's economic and fiscal situation, increased volatility of the pound sterling against the euro, and a change in the rules governing the movement of goods and persons between continental Europe and the UK. This negative context could impact Cegedim's business activity and profitability. In 2020, the UK accounted for 10.0% of consolidated Group revenues and 6.0% of consolidated Group Recurring Operating Income[(1)], and Cegedim employs around 500 people in the country.

How we manage it

Cegedim deals in local currency in the UK, as it does in every country where it is present. Thus, Brexit is unlikely to have a material impact on Group Recurring Operating Income[(1)].

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK, and no contracts with entities in the UK contain clauses dealing with Brexit.

(1) See Chapter 4 "Consolidated Financial Statements", section 4.6, Note 2 on Alternative performance indicators.

7.2.2 | Manageable business risks

7.2.2.1 | Operational risks

OPERATIONAL RISKS

Dependence on IT systems and Cybersecurity

SNFP

What is the risk?

The Group operates complex IT systems and infrastructures that are essential to the smooth running of its operational, commercial, and financial processes. These information systems include management, development, and engineering systems, as well as platforms operated on behalf of its customers and datacenters that must be protected against any malfunctions, malicious acts, human error, or cyberattack.

A disruption of our systems, networks, and infrastructure may prevent us from providing reliable service; impact the operations of our network, software, and web services; or allow for the unauthorized interception, destruction, use, or dissemination of our data or our customers' information, with the resulting chain of potential repercussions. Such disruption or unauthorized access to data and information could cause us to lose customers or revenue, incur expenses, and experience reputational and goodwill damage. It could also subject us to litigation or governmental investigation and sanction. The costs of such events may include liability for information loss, as well as the costs of repairs to infrastructure and systems and any retention incentives offered to customers and business partners. Our insurance may not cover, or fully reimburse us for, these costs and losses.

If our networks or key network components fail, it could, in some circumstances, result in a loss of service for our customers for certain periods and have an adverse effect on our results and our financial position.

How we manage it

We aim for a secure digital future for our customers.

The Group and its entities have business continuity and disaster recovery plans so they can respond to incidents quickly and continue to perform critical activities, both internally and externally.

The Group strives to strengthen the security of its infrastructure, its software and services, its websites, and its networks. Infrastructure monitoring and management is performed constantly. IT and security audits are performed to assess whether the level of security is adequate; they give the Group a good overview of the reliability of its IT systems. In addition, the Group conducts awareness-raising campaigns. Lastly, tests are carried out on the recovery of Group IT systems following a hypothetical cyberattack, and a plan designed to facilitate the recovery of data as efficiently as possible has been drawn up.

Cegedim also applies several international standards, like ISO 27001, the information security standard; ISO 20000/ ITIL, the IT service management standard; ISO 9001, the quality management standard; and CMMI, the project management and software development program.

The following companies and activities earned certifications:

- ISO 27001, ISO 20000, ISO 27017, and ISO 27018 for Cegedim.cloud's hosting and managed services at the datacenters based in France,
- ISO 27001 and ISO 20000 for Cegedim Activ's SaaS, managed services, and technical hosting activities (France),
- ISO 27001 for pharmacy IT supply, support, and maintenance services at Cegedim Rx (UK), ISO 27001 for healthcare industry IT supply, support, and maintenance services at INPS (UK).

Cegedim has also taken out a policy with a company known to be solvent for "intangible computer damage" that covers operating losses and computer data resulting from an insured event. Cegedim also has insurance specifically covering cyber risks.

OPERATIONAL RISKS

Data protection

SNFP

What is the risk?

We operate datacenters and collect and manage data in our business and on behalf of our customers (including sensitive health information). Cegedim or its partners may be subject to software, equipment, or other system malfunctions, or thefts or other unlawful acts that result in unauthorized access of data, or the change, loss, or destruction of our data. There is a risk that such malfunctions or unlawful acts may compromise the privacy of individuals, including our customers, employees, and suppliers.

Despite our best efforts to implement controls in our operations and at our partners' operations, unauthorized access to data could lead to data being lost, compromised, or used for inappropriate purposes, which could in turn result in financial loss (loss of customers or damage to our ability to attract new ones), harm our reputation and brand, expose us to claims of damages by customers and employees, and impact our customers' ability to maintain normal business operations and deliver critical services.

Lastly, the new General Data Protection Regulation (GDPR) impacts the handling of personal data. Failure to comply may result in substantial fines.

How we manage it

- The Group has certifications and high quality standards, and is notably certified to host personal health records (HDS certification) in France.
- The Group has increased IT security and stepped up employee awareness initiatives by implementing a large number of control and protection measures, establishing processes and procedures, and developing targeted IT security systems. For more details, see "Dependence on IT systems and Cybersecurity" risk.
- A dedicated GDPR team works on ensuring compliance with this new regulation. We regularly raise employee awareness through continuing professional development.
- We have created a network of Data Protection Officers spanning all Group entities that is coordinated by the Legal Department.

OPERATIONAL RISKS
Human Resources: Attracting, retaining, and developing talent
SNFP

What is the risk?

The Group may be unable to identify, attract, motivate and retain staff and nurture their skills, resulting in a loss of know-how and agility among the its teams

Cegedim must be able to recruit skilled, motivated employees in a timely manner and safeguard the availability of competent managers to achieve established strategic and operational objectives.

It may be difficult to hire or to fill vacancies with qualified personnel in certain specialty fields. This in turn leads to risks such as a lack of knowledge transfer. At the same time, Cegedim has a relatively high annual need for new employees. This talent market tension is heightened by the Group's need for scarce or advanced skills (e.g. software programmers, digital jobs), and by changes in the aspirations of new generations.

How we manage it

Our employees make the most important contribution to the company's success. As an international technology company, we need dedicated and highly qualified colleagues around the world—now and in the future. We counteract the resulting risks in particular by improving our attractiveness as an employer and by taking extensive recruitment measures. For a number of years now, the Group has been developing an active human resources management policy aimed at making it more attractive, encouraging integration, and developing talent.

New hires create diversity in the workforce, which can lead to more creativity and productivity if there is an extensive transfer of knowledge and good diversity management. Young employees bring new ideas and concepts into the working routine. Older employees have varied and extensive experience and pass on their knowledge to new groups of employees. In addition, in mixed teams, new perspectives and viewpoints contribute to the solution-finding process. In the long term, and in an appropriate corporate culture, this can positively impact Cegedim Group's innovation capacity and performance.

We aim to attract and retain key employees through both salary and non-salary policies. Our compensation and benefits program is designed to support our high-performance culture and is both market-driven and performance-based.

Where required, we implement targeted retention solutions for employees with talents that are scarce in the marketplace. We also have a succession planning process to identify and develop employees for key management positions. Additionally, we strive to continuously improve our employee engagement.

The Group has also established an ambitious skills development policy facilitating dynamic career management; as such, shared processes and tools have been developed to allow all affiliates to optimize the assessment of skills and performance, to formalize the detection of potential, and to encourage internal mobility.Lastly, Cegedim facilitates telework, measures related to well-being at work, and the modernization of workspaces.

OPERATIONAL RISKS
Attractive offerings
SNFP

What is the risk?

We operate across markets that are at different stages of market development and which have different levels of attractiveness. Our Company must be sufficiently agile to develop and deliver products and services that meet local market needs, or we risk ceding advantage to our competitors and failing to deliver against our targets of growth, profitability, and revenues.

If we are not flexible, agile, or innovative enough to adapt to local business and consumer needs, our existing customers may choose not to renew contracts, or may seek price reductions, all of which may have a negative impact on our ability to maintain or increase margins and cash flow.

How we manage it

- In 2020, Cegedim spent around 14.9% of revenue on payroll expenses for the R&D workforce;
- We invest in Saas platforms for our existing businesses and in new digital services;
- We regularly improve our offering to avoid commoditization;
- We consolidate our products and services into a single platform to help improve performance visibility, customer satisfaction, and operating efficiency.
- We acquire targets that have a strong cultural fit with our strategy and service model whilst supporting growth.

- We exit businesses that are unprofitable or non-core, e.g. Pulse and Cegelease.
- We make targeted investments in innovation to support value-added and innovative concepts to meet market and regulatory needs and defend against commoditization.

OPERATIONAL RISKS

Acquisitions, divestments, and investments

What is the risk?

The Group acquires complementary businesses to extend its geographic footprint, improve its market share in existing geographies, and round out its technological portfolio. Developing strategic alliances and divesting portions of our business are often required to optimally execute our business strategy.

Making acquisitions entails risks related to the selection and valuation of the potential targets as well as the process of acquiring the targets.

In addition, the integration of acquired businesses can be a complex and demanding process. We may fail to effectively integrate key services, technologies, or personnel; compliance with regulatory standards; or the businesses of companies we acquire into our business or service offerings; or our alliances may not be successful; all of which may adversely affect our growth, profitability, and cash flow.

The financial performance of the companies acquired might not be in line with the assumptions upon which their valuation and the investment decision were based. Significant variance could lead to the impairment of goodwill and other intangible assets, thereby negatively impacting Cegedim's results and balance sheet.

Some areas of our operations (and adjacent businesses) are subject to rapidly evolving technologies and consumer usage and demand trends. It is possible that we may not effectively forecast the value of consumer demand or risk of competing technologies, resulting in higher valuations for acquisitions or missed opportunities. We also may not be able to successfully complete certain divestitures on satisfactory terms, if at all. For more information see Chapter 3, section 3.3 "Financial Investments".

How we manage it

Before any acquisitions are planned, audits and due diligence are conducted by the Group's management, the Investment Department, and the Legal Department in order to analyze the fundamentals of the target company and evaluate the risks involved. Furthermore, the Group employs specialized advisers when needed. For larger acquisitions and demergers, a dedicated project team is established. Due to the applicable regulations, these due diligence procedures are more limited when the target company is listed.

A review is also conducted at each key stage in the acquisition process to confirm Cegedim's interest and set the necessary conditions and parameters to ensure a successful outcome.

The Group may use deferred consideration to mitigate deal risk.

Once the acquisition is done, annual impairment tests are made on acquired goodwill. For more detail, see "Goodwill impairment" risk.

OPERATIONAL RISKS
Litigation

What is the risk?

Cegedim's business operations are affected by numerous laws and regulations as well as commercial and financial agreements with customers, suppliers, and other counterparties, and by licenses, patents, and other intangible and intellectual property rights.

As a result, we are subject to legal proceedings, investigations, and legal compliance risks. Major litigation of any type could have an adverse impact on the Group's financial position (in the event of a fine or damages), or the Group's image and reputation due to media coverage and/or posts on social networks, and may result in the loss of revenue.

Cegedim is involved in several disputes related to the normal conduct of business. To the best of the Company's knowledge, as of this document's publication date, no litigation is sufficiently important to have a significant impact on the Company's financial situation or profitability.

How we manage it

The Legal Department identifies all significant litigation and legal risks for all of the Group companies (type, amounts, proceedings, level of risk) and tracks and monitors these on a regular basis, ensuring information is aligned with the information held by the Corporate Financial Department and reporting back to the Executive Board, the Audit Committee, and the Statutory Auditors twice a year.

To prevent disputes or limit their impact, Cegedim's legal policy is as follows:

- We systematically seek alternative dispute resolution mechanisms, such as mediation;
- We have implemented preventive measures. Marketing and operational teams are made aware of legal issues on an ongoing basis, model agreements are made available, and the legal teams provide support in the very early stages of projects;
- And lastly, the legal teams provide Senior Management with a weekly report.

The Group sets aside adequate provisions where necessary to cover risks on general or specific disputes.

To guard against risks of non-compliance due to a lack of awareness of legislative or regulatory change, Cegedim provides its businesses with a regulatory intelligence service that provides advice on laws and regulations, including compliance, as well as support with contract reviews.

See also Chapter 3, section 3.1 "Activity report" point "Financial year highlights".

OPERATIONAL RISKS
Compliance with national tax laws and international standards
SNFP

What is the risk?

Non-compliance with the national tax laws and international standards applicable to Group entities, leading to tax investigations and disputes arising out of the normal course of business.

The Company operates across many different tax jurisdictions and is subject to periodic tax audits which sometimes challenge the basis on which local tax has been calculated or withheld. Successful challenges by local tax authorities may have an adverse impact on profitability and cash flow.

How we manage it

As a responsible corporate citizen, Cegedim is firmly committed to complying with—and ensuring that all Group entities worldwide comply with—applicable national tax laws and international standards. Cegedim is also committed to ensuring that all Group entities pay all the taxes due in each of the countries where they operate.

When necessary, we may enlist the help of well-regarded tax advisers for specific topics that present a great deal of complexity.

OPERATIONAL RISKS
Business ethics
SNFP

What is the risk?

Failure to comply with rules of ethical business conduct (particularly anti-corruption and influence peddling). See also Chapter 6 "SNFP" of this document.

Cegedim's business encompasses a variety of sectors, and it is present in more than ten countries where anti-bribery laws apply with potential extraterritorial effect. Examples include the UK Bribery Act, the Sapin II law in France, and FCPA in the US. Failure to comply with the laws and regulations applicable to ethical business conduct and, in particular, the fight against corruption and influence peddling, may have serious legal and financial consequences for the Group and severely damage its reputation.

How we manage it

- The Ethics Charter was updated and strengthened in 2018 in order to take account of recent legislative and regulatory changes, especially those resulting from France's Sapin II law. It is circulated to all employees and includes a statement from the Chairman and Ethics Committee recommendations.
- The Group Legal Department is involved in all acquisitions, including advising on risk and regulatory issues.
- The Ethics Charter is part of all employment contracts and must be signed by the new employee, who must also receive training in the fight against corruption designed to promote an ethical culture and behaviors.
- We have a zero-tolerance policy on bribery and corruption, including facilitation payments.
- The Group supports fair competition and forbids discussions or agreements with competitors concerning pricing or market sharing.
- Risks of corruption and influence peddling have been mapped and evaluated. The map covers all Group activities and has resulted in the development of appropriate action plans. The results of the mapping process and a progress report on action plans have been presented to the Audit Committee by the Group Chief Compliance and Risk Officer.
- A whistleblowing procedure is also in place to help the Group remain alert to breaches of the Code of Ethics.

7.2.2.2 | Financial risks

FINANCIAL RISKS Goodwill impairment	**What is the risk?** A significant portion of the acquisition prices of past and future acquisitions has been and may again be allocated to goodwill. The Group's main activities are in the services sector and require few tangible assets. Thus, a significant portion of acquisition prices are recorded as goodwill, which notably includes the parts of a business' value that cannot be assigned, and whose valuation relies on appraisals and forecasts. Goodwill represented 20.5% of total assets at December 31, 2020, compared with 23.8% in 2019. Goodwill is not amortized. It is subject to impairment tests to determine if a reduction in value might have occurred. An unfavorable change in the business forecasts and assumptions used to project cash flows for the impairment tests could result in the recognition of impairment charges, which are first charged against goodwill. These charges could have significant impacts on the Group's results. **How we manage it** Cegedim Group verifies annually, or more frequently if necessary, the value of its goodwill and other intangible assets. For more information, please see Chapter 4 "Consolidated financial statements", Section 4.6 "Notes to the consolidated financial statements", notes 10.1 "Goodwill" and 7.3 "Other non-recurring operating income and expenses"(1); and Chapter 3 "Overview of the financial year", Section 3.2 "2020 Business review" ; and the Statutory Auditor's Report on the consolidated financial statements in Chapter 4, Section 4.7.
FINANCIAL RISKS Impairment of intangible assets	**What is the risk?** Cegedim Group's business requires it to regularly launch innovative products at the cutting edge of technology. The Group designs all of the products it markets, which are capitalized as intangible assets (chiefly software), and every year invests significant sums in research and development. Intangible fixed assets represented 18.0% of the total balance sheet at December 31, 2020, compared with 19.5% in 2019. These intangible assets are amortized from the time the product is launched and over the foreseeable duration of their commercial life. An unfavorable change in our business forecasts and assumptions for these products may cause us to accelerate our initial amortization schedule or recognize impairment for technologies that become obsolete sooner than expected. The accelerated amortization or impairment could have significant impacts on the Group's results. **How we manage it** Cegedim Group verifies annually, or more frequently if necessary, that the value of its R&D assets is justified with regards to expected cash flow over the likely commercial life of the products. The length of the amortization schedules are reviewed annually in order to align them with the expected commercial horizon, if necessary, and ensure an appropriate pace of obsolescence. For more information, please see in Chapter 4 "Consolidated financial statements", Section 4.6 "Notes to the consolidated financial statements", notes 10.2 "Goodwill" and 7.3 "Other non-recurring operating income and expenses"(1).

(1) See Chapter 4 "Consolidated Financial Statements", Section 4.6, Note 2 on Alternative performance indicators.

FINANCIAL RISKS
Liquidity

What is the risk?

The Group's liquidity risk corresponds to the risk that it will be unable to use its financial resources to meet its financial commitments and thus ensure business continuity. This depends on the Group's level of exposure to market trends that may result in a higher cost of credit or to a temporary restriction in access to external sources of funding.

How we manage it

Liquidity risk management for the Group and each of its subsidiaries is closely monitored and periodically assessed by Cegedim, based on financial reporting procedures. In order to manage liquidity risk that may arise when its financial liabilities fall due, the Group's financing policy is geared towards optimizing its maturity schedule and cost of debt. The Group also seeks to diversify sources of funding and limit reliance on individual lenders.

Special attention is given to the exposure of our bank counterparties to financial and sovereign credit risks, in addition to their credit ratings, which must always be in the top-level categories.

The Group manages this risk by trying to anticipate its cash needs and ensure that these are covered by the Group's short-term and long-term financial resources.

The Group has a €135 million Euro PP, a €65 million RCF, a €45 million Shareholder loan, and €24 million of overdraft facilities. See Chapter 4, Section 4.6, Note 11 "Financing and financial instruments" for details on debt structure and breakdown by maturities, and Chapter 3, Section 3.7 "Major contracts".

The RCF was renegotiated in 2018 for €65 million, with an initial term of five years and a one-year loan extension option, activated on December 20, 2019.

As of December 31, 2020, Cegedim's RCF and overdraft were undrawn. The undrawn part of the RCF and the overdraft facilities amounted to €65 million and €24 million, respectively.

The Euro PP and RCF are:

- governed by the standard commitment and default clauses customarily included in this type of agreement: pari passu ranking and a negative pledge clause that limits the security that can be granted to other lenders;
- subject to financial ratio covenants. Compliance with these financial covenants is determined according to IFRS. The Group must ensure that, for any relevant 12-month period until the termination date, its leverage ratio is less than 2.50 and its interest cover ratio is greater than 4.50. For the purposes of the calculation, net financial debt does not include employee profit sharing liabilities or the FCB loan. The net debt to EBITDA ratio came to 1.28 (1.51 in Dec. 2019) and the EBITDA to interest expense ratio came to 15.97 (5.01 in Dec. 2019).
- subject to a dividends clause limiting its distribution to a maximum of 50% of the consolidated net income if the leverage ratio is lower than 1.00 and to a maximum of 30% if the leverage ratio is greater than 1.00 and less than 2.50;
- subject to an acquisition clause limiting the aggregated enterprise value of all acquisitions made or to be made during a financial year to a maximum of €50 million if the leverage ratio is higher than 2.00. If the ratio is lower than 2.00, the enterprise value of the acquisitions is not capped.

The Group complied with all these covenants as of December 31, 2020, and there is no foreseeable risk of default.

The Group's exposure to liquidity risk can be assessed in relation to the amount of its gross short-term borrowings excluding derivatives, i.e. €2.6 million, which is entirely covered by the balance of €24.7 million in cash and cash equivalents at December 31, 2020.

In view of its available cash and confirmed credit lines not drawn at the reporting date, Cegedim has sufficient financial resources to honor its commitments for the next 12 months.

FINANCIAL RISKS
Interest rate

What is the risk?

Interest-rate risk refers to the adverse effects of changes in interest rates on the Group's income.

The Group's exposure to interest rate risk may be assessed based on the amount of its consolidated net financial debt, which totaled €164.2 million euros as of December 31, 2020. After hedging, 100% of gross financial debt outstanding was subject to a fixed rate of interest and 0% was subject to a floating rate. An analysis of borrowings by maturity and type of rate, are presented in Chapitre 3, Section 3.2.2 "Comments on net financial debt at December 31, 2020".

How we manage it

Financial debt is incurred at the parent company level—Cegedim SA—and transferred to subsidiaries through internal loans or capital injections. Cegedim SA implements interest hedging.

As part of its financial policy, Cegedim seeks to limit interest rate risk by focusing on fixed-rate funding for a significant portion of its financial debt. In addition, derivatives, such as interest-rate swap agreements, are used to manage the interest rate risk by changing the interest from floating to fixed.

Because the interest rate swaps in place as of the balance sheet date were contracted in connection with variable-interest debenture loans that have since been repaid, there is no longer a hedge relationship here (€45.1 million of debt at floating rates for a hedged principal of €50 million).

A conscious choice was made to take part of the loans at a variable interest rate in order to profit from the current low euro interest rate environment.

The Group is naturally affected by changes in interest rates in its functional currency. A rise or fall of 50 basis points in interest rates would result in an increase or decrease of €0 million in the cost of net financial debt. After hedging, 100% of the debt is at fixed interest rates.

As much as possible, Cegedim Group's available cash is pooled centrally by Cegedim SA.

FINANCIAL RISKS
Foreign exchange

What is the risk?

The expansion of our international business entails currency risks. 12% of the Group's activities are conducted by subsidiaries outside the euro zone, which means Cegedim is exposed to foreign exchange risk. However, this risk is largely limited to so-called translation risk, since costs are usually in the same regional market as the associated revenue. Currency effects had a limited negative impact on 2020 revenue of 0.2%. This was chiefly due to the positive impact of €0.8 million from the pound sterling, which represents 10.0% of Group revenues.

The breakdown of the Group's consolidated balance sheet by currency used to prepare the financial statements of subsidiaries in the Group's consolidated scope at December 31, 2020, is as follows:

Consolidated Balance Sheet at 12/31/2020	EUR	GBP	Other	Total
Amount (in millions of euros)	871,5	86,2	-52,4	905,4
Share (%)	96,3%	9,5%	-5,8%	100,0 %

FINANCIAL RISKS
Foreign exchange

The table below makes it possible to calculate the risk of loss on the net global foreign currency position from a uniformly unfavorable currency movement of 1% by the euro (the currency used to prepare the financial statements) against all relevant foreign currencies. For illustration purposes, the impact of a uniformly adverse change of 1% in the euro-pound sterling exchange rate on the financial statements of subsidiaries whose functional currency for financial statements is the GBP would have a negative impact of approximately €539 on Group shareholders' equity.

In thousands of euros	GBP
Total balance sheet	951
Off-balance sheet positions	-
Net position after hedging	951

Should the revenue/costs structure remain similar, any appreciation of the euro against the pound sterling would reduce earnings expressed in euros. On the basis of the 2020 financial year, with all other currencies remaining constant against the pound sterling, a theoretical 1% appreciation of the euro against the pound sterling would have a negative impact of approximately €490,000 on Cegedim's revenue, and approximately €15,000 on its Recurring Operating Income[1].

The amount of exchange gains or losses on revenue is determined by recalculating 2019 revenues based on the 2020 exchange rate. The currency exchange rates used are the average rates over the financial year.

How we manage it

Because this risk is currently minimal, the Group does not have a policy for exchange rate hedging. This strategy may evolve in the future if need be.

(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

7.3 Insurance and risk coverage

Insurance policy	The Group's policy of transferring significant risks to insurance companies is based on: - achieving the best economic balance between risk coverage, premiums, and self-insurance; - the insurance available, insurance market constraints, and local regulations. Coverage is determined by assessing the financial consequences for the Company of a possible claim. Insurance coverage is purchased based on an assessment by the site and the company of the level of coverage necessary to face reasonably estimated potential occurrences of diverse risks. Uninsured risks are exposures for which there is no insurance coverage offered on the insurance market, or for which the cost of available insurance is disproportionate compared to the potential benefits of the coverage.
Insurance	Cegedim has an insurance program covering it and all the Group companies against professional and civil liability risks inherent in its operations. Cegedim has also taken out a policy with a company known to be solvent for "intangible computer damage" that covers operating losses and computer data resulting from a insured event. Cegedim took out a specific policy that covers cyber risks. "Other insurance": Cegedim also takes out specific coverage to meet the specific requirements of certain risks or projects.

7.4 Internal control

Objectives	Internal control aims to provide reasonable assurance that the Group's strategic and financial objectives will be achieved and to faithfully and accurately reflect events in the reported figures. The Group creates the conditions necessary for effective internal control, notably by ensuring that management actions, business execution, and employee conduct are within the bounds of all applicable laws and regulations and adhere to the values described in the code of professional conduct and the Group's bylaws. Furthermore, Internal Control is responsible for ensuring that accounting and financial information is accurate and compiled according to current standards and regulations.
Internal control challenges	**The key aspects of internal control within the Cegedim Group fall under the following headings:** **Coordination of business activities** For Cegedim to grow, it must be able to anticipate its clients' needs and satisfy them by coordinating a large number of skills specific to individual business segments. The success of this model requires the coordination of management actions and employee behavior. This means they must be consistent with the instructions that Group executives issue to the business units, with current laws and regulations, and with the Group's internal rules. **Control and transparency of accounting and financial information** Internal control procedures govern the preparation and disclosure of the Group's accounting and financial information. They are designed to guarantee the information's availability, integrity, conformity, and auditability. **Support for growth** To expand, particularly through acquisitions, the Group needs to be able to identify the external growth opportunities. In this respect, Cegedim's internal control mechanism seeks to accelerate the incorporation of new businesses, control the risks inherent in these transactions, and track their performance. In early 2008, the Group's senior management created an "Operational Excellence" unit (OPEX), followed by the creation in 2018 of an Internal Control Department. The two are in charge of optimizing the way the group is organized and shares information, as well as reinforcing the Group's customer-oriented culture to generate savings from synergies, streamlined tools and processes, and more productive teams. They are able to propose improvements to internal control and financial control by systematically emphasizing the business unit component. **Data processing security** As a leader in the medical data technologies and services sector, Cegedim Group's priority is to provide its clients and partners with complete peace of mind concerning data security. Cegedim Group complies with data protection and privacy laws in all of the countries where it operates. **Acquisition of cutting-edge skills** Cegedim Group considers employee training to be a key success factor, leading to satisfied clients and motivated employees. Cegedim's training policy focuses on continuously adapting the skills of its research and development teams and helping its employees acquire new skills necessary for their work.

Internal control contributors	Cegedim's internal control system involves a high level of interaction between the Board of Directors, Senior Management and the heads of business units, which promotes transparency regarding the Group's strategies, risks, and actions. Cegedim's Senior Management has central management and control bodies that include the Financial Department, the Investment Department, the Accounting Department, the Management Control Department, the Human Resources Department, the Legal Department, the Administrative Department, the IT Department, the Communications Department, the Operational Excellence unit (OPEX), and the Internal Control and Risk Department. In 2010, Cegedim's Board of Directors set up an Audit Committee to ensure that the accounts are accurate and reliable, and that information provided is of the highest quality. In 2018, the Group created an Internal Control Department tasked with risk management, compliance, and setting up an internal control mechanism, as well as optimizing operations. It reports to Senior Management and the Audit Committee, whose strategy it executes and to which it regularly reports on its activities. It also works closely with the Ethics Committee. A network of financial officers or controllers in each country or region applies corporate policies at the local level. They verify that financial controls of operations are part of routine management at the local level or are implemented during the operational revamping processes decided by the corporate office. In their respective fields, these management and control bodies oversee Group operations and also use their specialized skills to support business operations. The Group has consistently sought to strengthen its teams dedicated to controlling and coordinating international operations. OPEX, the Legal Department, and the Internal Control and Risk Department, which report to Senior Management, are tasked with devising and establishing procedures that are consistent across the Group's subsidiaries to ensure work methods are uniform.
Ad hoc inspections	Senior Management decides when ad hoc inspections will be made. Other control participants help determine which entities to inspect and what areas to cover. They also help conduct the inspections. The Internal Control, Management Control and OPEX, typically carry out these assignments. Their scope covers all areas relating to internal control.
Control of legal affairs	Cegedim Group procedures require prior review by the Legal Department of all contracts with third parties with respect to their purpose, the representations and warranties therein, and, where relevant, the transnational nature of the transactions they govern. The Legal Department also aggregates information on certain key contracts.
Control of internal security	Cegedim has a governance system for security issues. This means that it takes into account the security of all Group businesses and implements all appropriate protection measures. The IS Security Department reports directly to Senior Management. It defines the Group's security policy using risk analysis. It also ensures that the policy is applied in a manner consistent with the security requirements identified by management through regular internal audits. The Director of Information Systems verifies that decisions to roll out IT systems, and resources related to data security in particular, reflect Cegedim's strategic priorities. The IT Operations Manager, the Data Security Manager and the Physical Security Manager implement the Company's strategy. They are responsible for putting technical security procedures in place. The Operations Director ensures that all activities provide the appropriate level of security for Cegedim's strategic decisions through daily monitoring.

Internal security policy for information systems

Senior Management actively coordinates the internal security policy for information systems, which notably covers:

- Employee security (reducing the risks of human error, theft, fraud, or unauthorized use of equipment);
- Physical security (controlling access, damage, and disruptions to Group assets);
- IT access security (controlling access to information);
- Data security (ensuring adequate data protection);
- Systems administration and network security (ensuring that data processing infrastructures operate correctly and securely);
- IT development security (incorporating security into development efforts and ensuring the secure execution of support activities);
- Crisis prevention, detection, and management;
- Legal compliance.

Cegedim Group's main clients adhere to recognized international standards, adopting the most stringent requirements in terms of IT system audit and control.

Since 2012, Cegedim has employed quality and internal control procedures in accordance with the ISAE 3402 Type II standard (International Standard on Assurance Engagements), which is reviewed annually. This standard, which stemmed from the United States' Sarbanes-Oxley Act (SOX), requires the suppliers of companies applying it to be audited for financial risks too. The examination is carried out annually by a third-party auditor recognized by the Auditing Standards Board of the American Institute of Certified Public Accountants. The following companies and activities have earned the ISAE 3402 Type II standard:

- Cegedim IT for all its activities;
- Cegedim Activ' for its Saas, managed services, and technical hosting activities;
- Cegedim SRH for all its activities;
- CETIP for all its activities;
- IGestion for all its activities.

Cegedim also applies several international standards, like ISO 27001, the information security standard; ISO 20000/ ITIL, the IT service management standard; and CMMI, the project management and software development program. The following companies and activities have earned certifications:

- ISO 27001 for the hosting and managed service activities of Cegedim IT at the data centers based in Boulogne Billancourt and Toulouse (France),
- ISO 27001 and ISO 20000 for Cegedim Activ's SaaS, managed services, and technical hosting activities (France),
- ISO 27001 for pharmacy IT supply, support, and maintenance services at Cegedim Rx (UK),
- ISO 27001 for healthcare industry IT supply, support, and maintenance services at INPS (UK).

Cegedim has obtained the following certifications to host personal health records:

- HDS certification—certified to host personal health records in France.

7.5 Key processes for financial and accounting information

Preparation of Group financial statements

Centralized accounting of the companies of the Cegedim Group

The Cegedim Accounting Department prepares the company financial statements of subsidiaries in the French scope of the Group and oversees the entire process of preparing the consolidated financial statements. For the financial statements of foreign subsidiaries, the Accounting Department relies on the subsidiaries' local teams or external service providers. For newly acquired companies, either the existing accounting teams are integrated into the organization described above or the accounting function is taken over by Cegedim's teams.

The Group created a unit in 2005 dedicated specifically to international consolidation. The unit helps the Company ensure that the financial information from foreign subsidiaries is reliable and helps it adapt to new accounting regulations. Furthermore, this centralized consolidation process has made it possible to considerably reduce the time necessary to report international information. A standardized procedure for collecting consolidation packages is carried out quarterly.

Review of key financial information

The processes listed below help strengthen internal controls related to processing the financial and accounting information reported by the Cegedim Group or used as a basis for business management and strategy decisions.

Consolidation and half-year / full-year financial reports: The Group's consolidated financial statements and financial reporting are prepared in accordance with International Financial Reporting Standards (IFRS) and based on the accounting data compiled under the responsibility of the operational entities' managers. The IFRS Standards and IFRIC interpretations used are those adopted by the European Union. The main issues in relation to the Financial Report are subject to specific procedures. These notably include annual impairment tests of Company assets, the assessment of the financial liquidity risk, the measurement of employee benefits, taxes, and commitments not recorded in the balance sheet. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board. The Group's accounts are published semiannually, and consolidated revenue is published quarterly. The accounts are subject to an annual audit and a limited half-year review by the Statutory Auditors of the Group.

Budget, management control: Every year, each operating unit submits its strategy and annual budget for the upcoming year, along with a three-year forecast, to Senior Management. Once validated, this information is integrated into the business plan submitted to the Audit Committee and the Group's Senior Management. Quantitative and qualitative objectives are then assigned to the operating unit managers as a basis for assessing their annual performance. The budget is monitored regularly.

Investments/Disposals: All investments and disposals (equity investments, launch of new business activities, as well as any other financial commitment, rights purchases, real estate contracts, etc.) are subject to the Senior Management's prior authorization. Transactions exceeding €20 million are submitted to the Audit Committee. The Finance and Investment Department examines case files and prepares reports.

IT tools used to prepare financial and accounting information

Cegedim has a policy of upgrading its IT tools to ensure optimum availability, integrity, conformity, and auditability of its financial and accounting data.

Cegedim regularly acquires new tools to ensure necessary internal consistency and give management exactly the information they need to steer the Group. This process is directly overseen by the Deputy Managing Director, assisted by a project manager who liaises with the Accounting Department and the Management Control Department. The statutory consolidation tool and the international reporting tool are common to all Group entities. They are supplemented by a business intelligence tool allowing more detailed analysis of analytic information.

The accounting tool and any changes to it are subject to controls and regular reviews by the Internal Control Department, a task it shares with the Financial Department and the Technical Department. This approach is based on SOX principles, particularly with respect to general controls (ITGC) and application controls (ITAC). An annual external audit ensures these standards are met.

Links with Control of Legal Affairs

Main disputes are directly handled by the Group's Legal Department. Senior Management also monitors the most sensitive disputes and is kept informed at all times by the Group's Legal Department of the status of the dispute. The Accounting Department is regularly updated to ensure disputes are accurately reflected in the financial statements.

The Audit Committee is regularly kept informed.

Control of commitments

The Administrative Department and the Legal Department handle the central oversight of authorizations and delegations of authority and make sure, as soon as they are established, that they are limited in accordance with the Group's internal rules regarding commitments.

Operational management control

Decentralized Management Control, coordinated by the corporate office

Management Control is performed as close as possible to the operational level, with dedicated teams in every business segment.

Control of the Group's operations management covers multiple areas:

- The annual budgeting process;
- The monthly management reports and updates to annual forecasts;
- The implementation of targeted strategic indicators for each business segment, designed around the specific needs expressed by operational staff, and support for operational staff in financial matters;
- Inspections carried out periodically within the Group's subsidiaries at the request of operational staff, the central Management Control Department, the Financial Department, or the Internal Control Department.

The central Management Control Department, based at the corporate office, verifies that processes and tools are standardized across subsidiaries, and that key financial and operational data are reported monthly. It also coordinates the budgeting process.

It publishes a consolidated monthly report for the Group's Senior Management. These reports help identify underlying performance trends for each entity and recommend any corrective measures if need be.

The annual budgeting process

Each year, the business unit directors present the annual budget for the activities under their responsibility to Senior Management. To prepare these budgets, Management Control provides any assistance the operational managers might need, guides their work to ensure overall consistency, and records the key assumptions so they can be tracked during the year.

Reliable and consistent information

The data supplied by the Accounting Department are systematically reconciled with the work done by the Management Control Department, whether through regular analytical monitoring of the activities, budgetary control, or inspection reports. This information forms the basis for the operating reports prepared by Management Control, allowing for regular tracking of key indicators.

Furthermore, when new acquisitions are made, Cegedim has a standard integration process to ensure that operational synergies and the reporting necessary for management and Management Control in accordance with the current standards are implemented as quickly as possible.

08

SHAREHOLDERS' MEETING

8.1 | Draft resolutions

8.1.1 | Combined Annual Ordinary and Extraordinary General Meeting of June 17, 2021

8.1.1.1 | Ordinary General Meeting

First resolution	The General Meeting, after hearing the Board of Directors' management report and the Statutory Auditors' report on the annual financial statements, approves the annual financial statements for the financial year ended December 31, 2020, as presented. It also approves the transactions evidenced by those financial statements or summarized in those reports. Accordingly, it fully and unreservedly discharges the directors from liability for the performance of their duties for said financial year. The General Meeting approves the expenses not deductible for tax purposes covered by Article 39-4 of the French General Tax Code amounting to €535,191 as well as the corresponding tax amounting to €171,368.
Second resolution	The General Meeting decides to appropriate the profit for the financial year amounting to €5,567,341.74 in full to the Other Reserves account. The General Meeting notes that no amounts have been distributed as dividends for the past three financial years.
Third resolution	The General Meeting, after hearing the Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2020, approves the consolidated financial statements for said financial year. It also approves the transactions evidenced by those financial statements or summarized in the Group's management report included in the management report.
Fourth resolution	The officers of the meeting then note that, for the purpose of approving agreements referred to by Article L. 225-38 et seq. of the French Commercial Code, the General Meeting satisfies the quorum requirement of more than one-fifth of the shares with voting rights being present or represented, it being specified that the shares of the persons with an interest in these agreements are excluded from the calculation of the quorum and majority voting requirements. The shareholders may consider the application of these agreements on that basis.
Fifth resolution	The General Meeting, after hearing the Statutory Auditors' special report on the agreements covered by Article L. 225-38 et seq. of the French Commercial Code, approves the agreement mentioned in this report. Contracting party: Laurent Labrune, Deputy Managing Director, and Aude Labrune, director. Nature and purpose: temporary transfer of a beneficial interest in the shares of SCI du 114 rue d'Aguesseau Bureau. This resolution is submitted for shareholders' approval in a vote in which the shareholders with an interest may not participate, it being specified that their shares are excluded from the calculation of the quorum and majority voting requirements.

Sixth resolution	The General Meeting, after hearing the Statutory Auditors' special report on the agreements covered by Article L. 225-38 et seq. of the French Commercial Code, approves the agreement mentioned in this report. Contracting party: SCI du 114 rue d'Aguesseau Bureau Person concerned: Jean-Claude Labrune, Manager of SCI du 114 rue d'Aguesseau Bureau. Nature and purpose: Under the first amendment of the off-plan lease agreement entered into by both parties, SCI du 114 rue d'Aguesseau Bureau has granted the Company a commercial lease on the office building at 114-116 bis rue d'Aguesseau, Boulogne-Billancourt (Hauts-de-Seine department), France. The lease runs for a twelve-year period from January 1, 2009 to December 31, 2020. It provides for the waiver of the option to terminate the lease at the end of each three-year period and for a rent payment of €970,837 excluding tax and service charges in 2020. This agreement ended on December 31, 2020. This resolution is submitted for shareholders' approval in a vote in which the shareholders with an interest may not participate, it being specified that their shares are excluded from the calculation of the quorum and majority voting requirements.
Seventh resolution	**Agreement authorized by the Board of Directors on June 28, 2018** The General Meeting, after hearing the Statutory Auditors' special report on the agreements covered by Article L. 225-38 et seq. of the French Commercial Code, approves the agreement mentioned in this report. Contracting party: FCB Person concerned: - Jean-Claude Labrune, Chairman of the Supervisory Board of FCB, - Aude Labrune - Laurent Labrune - FCB represented by Pierre Marucchi. Nature and purpose: Subordination agreement restricting the repayment to FCB of the principal due under the Subordinated Shareholder Loan following the arrangement of a revolving credit facility. Purpose: agreement between FCB and Cegedim restricting the repayment to FCB of the principal owed by Cegedim under the Subordinated Shareholder Loan in order to improve the borrowing terms applicable under the revolving credit facility arranged in 2018. This resolution is submitted for shareholders' approval in a vote in which the shareholders with an interest may not participate, it being specified that their shares are excluded from the calculation of the quorum and majority voting requirements.

Eighth resolution	The General Meeting, after hearing the Statutory Auditors' special report on the agreements covered by Article L. 225-38 et seq. of the French Commercial Code, approves the agreement mentioned in this report. Contracting party: Gers SAS Person concerned: Jean-Claude Labrune, Chairman of Gers SAS Nature and purpose: Indemnification agreement: Cegedim has undertaken jointly and severally with its subsidiary Gers SAS to indemnify GIE Gers, for an unlimited amount, for the payment of all sums of a compensatory nature (such as penalties, indemnities, interest on late payments, etc.) claimed from GIE Gers by Datapharm under agreed contractual obligations and/or any compensation arising from the supply by GIE Gers to the future Gers SAS of data provided by Datapharm. This resolution is submitted for shareholders' approval in a vote in which the shareholders with an interest may not participate, it being specified that their shares are excluded from the calculation of the quorum and majority voting requirements.
Ninth resolution	The General Meeting decides to reappoint Frédéric Duchesne as a non-voting board advisor ("censor") for a further term of office of two years expiring at the close of the General Meeting to be called to approve the financial statements for the 2022 financial year.
Tenth resolution	The General Meeting decides not to replace Thierry Colin, Alternate Statutory Auditor, who has resigned having decided to retire.
Eleventh resolution	The General Meeting sets the annual amount of fees to be apportioned between the directors for the current financial year at €173,000.

Twelfth resolution	The General Meeting, having reviewed the Board of Directors' report, authorizes the Board of Directors, in accordance with the provisions of Article L. 225-209 et seq. of the French Commercial Code, to buy back the Company's shares. The share repurchases, which may not represent more than 10% of the Company's share capital, may be made at any time and by all available means, either on or off-market, in private transactions, or through the use of options, or, if applicable, by any third party acting on behalf of the Company, including by an investment service provider acting under a liquidity agreement in accordance with a code of conduct recognized by the Autorité des Marchés Financiers (French financial markets authority), in accordance with the provisions of the last subsection of Article L. 225-206 of the French Commercial Code. This authorization would make it possible to allot Company shares to salaried employees of Cegedim Group in accordance with Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code. The Company must, in accordance with the provisions of law, have reserves not available for distribution, other than the legal reserves, amounting to at least the value of all the shares that it owns directly. The maximum purchase price is set at €75 per share. This authorization is given for a period of eighteen (18) months expiring on December 16, 2021. It cancels and replaces the authorization granted by shareholders at the Ordinary General Meeting of June 17, 2020, and shall become null and void during the period of a public offer. The General Meeting grants full powers to the Board of Directors, which it may delegate, to implement this authorization, approve any stock market order, enter into any agreement, including an AFEI liquidity agreement, carry out all formalities and declarations vis-à-vis all bodies and, generally, do whatever is necessary to execute the decisions made pursuant to this authorization.
Thirteenth resolution	The General Meeting, duly noting the compensation policy for corporate officers proposed by the Compensation Committee to the Board of Directors, which has submitted it unamended for shareholders' approval, approves the policy as it appears in Chapter 2, Section 2.5 "Compensation policy" of the Universal Registration Document.
Fourteenth resolution	The General Meeting, duly noting the compensation and benefits in kind paid to the corporate officers proposed by the Compensation Committee to the Board of Directors, which has submitted them unamended for shareholders' approval, approves said compensation and benefits as they appear in Chapter 2, Section 2.5 "Compensation policy" of the Universal Registration Document. As a reminder, the only compensation paid to corporate officers for performing their duties is the Directors' fees allocated to the Board of Directors, which totaled €71,000.

Thereafter, the Chairman puts the resolutions listed in the agenda for the Extraordinary General Meeting to a vote by the shareholders, after checking with the officers of the meeting that the quorum requirement of one-quarter of shares with voting rights established at the start of the meeting is still met.

8.1.1.2 | Extraordinary General Meeting

Fifteenth resolution	The General Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-197-1 of the French Commercial Code and duly noting that the authorization given at the Extraordinary General Meeting of the shareholders on June 19, 2018 will expire on December 18, 2021, decides to renew the authorization given to the Board of Directors for the purposes of: 1. making free awards of the Company's existing shares, to be acquired pursuant to the authorization to repurchase its own shares 2. deciding, without prejudice to the possible impact of the adjustments stated hereinafter, that the total number of shares to be awarded pursuant to this authorization may not represent more than 1,399,713 shares, and may not exceed the caps set in Article L. 225-197-1 of the French Commercial Code, it being specified that the number of shares awarded to executive officers may not exceed 20% of the total number of shares awarded 3. deciding that the allottees of the free share awards will continue to be salaried employees and/or executive officers referred to in Article L. 225-197-1, II of the French Commercial Code, both of the Company and of companies or groupings directly or indirectly affiliated with it, as provided for in Article L. 225-197-1 and Article L. 225-197-2 of said Code, or certain categories among them 4. duly noting that all the terms and conditions of this renewal of the authorization to make free share awards will be strictly identical to those laid down by the Board of Directors at its meeting of January 28, 2016, and specifically those: - determining the list or lists of allottees of the free share awards - setting the requirements, including concerning continuing service and performance levels, and, where appropriate, the share allotment criteria - setting the holding period for the shares, it being stated that it will be incumbent on the Board of Directors with regard to the shares to be allotted to executive officers as defined in Article L. 225-197-1, II subsection 4 of the French Commercial Code, either to decide that such shares may not be sold by the relevant parties until they leave office, or to set the quantity of such shares that they will be required to hold in registered form until they leave office - drawing up regulations for a free share award plan - deciding whether, in the event of transactions affecting the share capital that occur during the vesting period of the shares allotted, to adjust the number of shares allotted for the purpose of protecting allottees' rights and, if so, determining the arrangements for this adjustment - assessing, upon expiration of the vesting period, whether the conditions for the definitive allotment and criteria for allotment of the shares have been met - making a determination, upon expiration of the vesting period, as to whether the allotments made previously have become definitive - more generally, completing all the relevant formalities and doing everything useful and required pursuant to law and regulations in force. 5. Decides that all the arrangements laid down in the regulations for the Company's free share award plan established by the Board of Directors on January 28, 2016 will continue to apply, including definitive allotment upon expiration of the vesting period, subject to the following requirements: no resignation, termination or dismissal of the allottee for gross or willful misconduct, where such concepts are to be assessed with regard to French labor case law. 6. notes that, were the Board of Directors to make use of this authorization, it would inform the Ordinary General Meeting every year of the transactions effected pursuant to the arrangements set forth in Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code as provided for in Article L. 225-197-4 of the Code 7. decides that this authorization is given for a period of thirty-eight (38) months from today's date.
Sixteenth resolution	The General Meeting gives full powers to the bearer of an original, copy or excerpt of the minutes of this Meeting to carry out all necessary formalities.

8.2 Statutory Auditors' special report on related-party agreements and commitments

CEGEDIM

To Cegedim SA's General Meeting,

In our capacity as Statutory Auditors of the Company, we hereby report to you on related-party agreements.

The terms of our engagement do not require us to identify such agreements, if any, but to inform you, based on the information provided to us, of the principal terms and conditions, as well as the purposes demonstrating the benefit to the Company of those agreements brought to our attention or that we came across during our assignment, without expressing an opinion on their appropriateness or relevance. Pursuant to Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the benefits of having entered into these agreements, before you approve them.

In addition, we are also required, as appropriate, to provide you with the disclosures provided for in Article R. 225-31 of the French Commercial Code relating to application of agreements during the past financial year, previously approved by the General Meeting.

We carried out the procedures that we deemed necessary in accordance with the professional standards of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) regarding this assignment. These procedures consisted in verifying the consistency of the information provided to us with the source documents from which it was extracted.

AGREEMENTS TO BE SUBMITTED FOR THE GENERAL MEETING'S APPROVAL

Agreements authorized and entered into during the financial year now ended

We inform you that we have not been informed of any agreements authorized and entered into during the financial year now ended to be submitted for the General Meeting's approval in application of the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

Agreements previously approved by the General Meeting and still in force in the financial year now ended

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by the General Meeting in past financial years, remained in force in the financial year now ended.

With SCI du 114 rue d'Aguesseau Bureau

Nature and purpose:

On December 23, 2008, SCI du 114 rue d'Aguesseau Bureau and the Company officially accepted the completion of construction work on the office building located at 114-116 bis rue d'Aguesseau in Boulogne-Billancourt (Hauts-de-Seine department), France. This building is the subject of an off-plan lease agreement entered into between the two parties.

Under amendment 1 to said off-plan lease, SCI du 114 rue d'Aguesseau Bureau has granted the Company a commercial lease on the office building at 114-116 bis rue d'Aguesseau, Boulogne-Billancourt (Hauts-de-Seine department), France, for a period of twelve years, from January 1, 2009 to December 31, 2020, including a waiver of the option to terminate the lease at the end of each three-year period. This agreement terminated on December 31, 2020.

Person concerned:

Jean-Claude Labrune (Deputy Managing Director of Cegedim, manager of SCI du 114 rue d'Aguesseau Bureau)

Terms:

Rent payment of €970,837 (excluding service charges) in 2020.

With Aude Labrune, (director of the Company, and Laurent Labrune, Deputy Managing Director).

Nature, purposes and terms:

Temporary transfer to Cegedim of a beneficial interest in the shares of SCI du 114 rue d'Aguesseau Bureau:

198 shares whose beneficial and legal ownership is separated, with Aude Labrune and Laurent Labrune holding equal interests, Duration of the transfer of the beneficial interest: 18 years, from October 9, 2006 until October 8, 2024.

With Gers SAS

Nature, purpose and terms:

Cegedim has undertaken jointly and severally with its subsidiary Gers SAS to indemnify GIE Gers, for an unlimited amount, for the payment of all sums of a compensatory nature (such as penalties, indemnities, interest on late payments, etc.) claimed from GIE Gers by Datapharm under agreed contractual obligations and/or any compensation arising from the supply by GIE Gers of data provided by Datapharm for the benefit of Gers SAS.

Person concerned:

Jean-Claude Labrune, Chairman of Gers SAS and Deputy Managing Director of Cegedim).

With FCB SA – Subordination agreement

Nature and terms:

Subordination agreement limiting the repayment to FCB SA of the principal due under the Subordinated Shareholder Loan following the arrangement of a revolving credit facility.

Relevant persons:

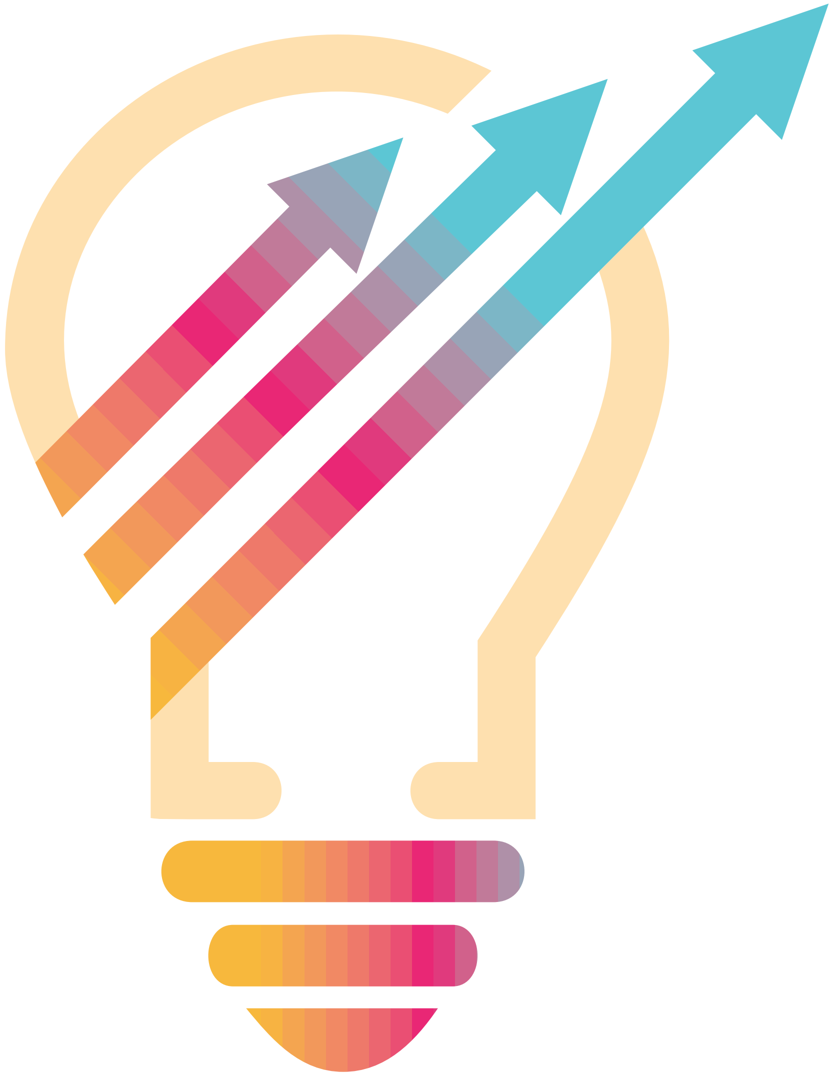
Jean-Claude Labrune (Chairman of Cegedim and Chairman of FCB SA's Supervisory Board), Aude Labrune (director of Cegedim and Chairwoman of the Executive Board of FCB and shareholder of FCB SA), Laurent Labrune (Deputy Managing Director of Cegedim and Member of FCB SA's Executive Board), and Pierre Marucchi (Managing Director of Cegedim, representative of FCB SA, of which he is Vice-Chairman of the Supervisory Board).

Reason:

Agreement between FCB and Cegedim SA limiting the repayment to FCB SA of the principal owed by Cegedim under the Subordinated Shareholder Loan in order to improve the borrowing terms applicable under the revolving credit facility arranged in 2018.

Paris La Défense, April 14, 2021
The Statutory Auditors

KPMG SA	Mazars
Vincent de Becquevort	Jean-Philippe Mathorez
Partner	*Partner*



09

INFORMATIONS COMPLÉMENTAIRES

9.1 General information about Cegedim

Registered company name and trade name of the issuer	The issuer's registered name is: Cegedim. The issuer's trade names are: Cegedim Dendrite – division TVF, Cegedim Dendrite – Santesurf Division, Cegedim Dendrite Pharma CRM division, Cegedim Relationship Management, Cegedim Relationship Management France, Cegedim Relationship Management Corp., Deskom, Cegers, Rosenwald, and Cegedim Analytics.
Issuer's place of registration and number	Identified in the Nanterre Trade and Companies Register under number: 350 422 622, code APE 6311Z. Legal entity identifier (LEI): 9695002XQWX9TKCOZT86
Date of incorporation and length of life of the issuer	Cegedim SA was incorporated on August 27, 1969. On April 18, 1989, FCB was incorporated for a term of 99 years. On December 26, 1994, the holding company at that time merged with Cegedim SA and took on its corporate name.
Registered office and legal form of the issuer, legislation governing Cegedim business activities	Cegedim SA is a société anonyme (a French corporation) with a Board of Directors and share capital of €13,336,506.43. Since November 29, 2016, its registered office has been located at 129-137, rue d'Aguesseau, 92100 Boulogne-Billancourt, France. Its previous registered office was at 127, rue d'Aguesseau, 92100 Boulogne-Billancourt, France. Its telephone number is + 33 (0)1 49 09 22 00, and its fax number is + 33 (0)1 46 03 45 95. The company website can be found at www.cegedim.com. Its country of incorporation is France. The business activities of Cegedim SA are governed by the French law.
Corporate documents	All documents pertaining to the Company, in particular its bylaws, financial statements, and the reports presented at its Shareholders' Meetings by the Board of Directors or the Statutory Auditors, may be viewed at the Company's registered office.

Cegedim's corporate purpose

According to article 2 of the bylaws, the Company's corporate purpose is:

- The acquisition of stakes or equity interests in companies or enterprises with activities involving data processing, studies, and marketing;
- The provision of various services in various fields;
- Economic and social studies of all kinds in various fields, particularly statistical, financial, commercial and legal studies, market research, opinion polls, surveys of all kinds and in all fields, the creation and use of panels, public relations, advertising, and calculations of all kinds;
- The organization and management of companies and their data by the most diverse means;
- Documentation using all means and in all fields, notably science, the economy, society, and statistics, etc.;
- Marketing, particularly the penetration of various markets, including all the activities required for this kind of market penetration;
- All activities involving information and its processing, information technologies and machine processing, and all aspects of their design and use in various fields;
- All administrative, financial, accounting, and management services for the Company's subsidiaries, affiliates and any third-party firm;
- The acquisition, subscription, and management of all securities;
- All industrial, commercial and financial, securities and real estate operations that may be directly or indirectly related to the corporate purpose and all similar or related purposes;

The acquisition by the Company, by all means, of equity interests in all enterprises or companies created or to be created related to the corporate purpose, particularly through the creation of new companies, equity contributions, general partnerships, the subscription or acquisition of securities or corporate rights, mergers, alliances or joint ventures or economic interest groups or lease management systems.

Principal Statutory Auditors

Mazars

Represented by Mr. Jean-Philippe Mathorez,

Exaltis, 61, rue Henri-Regnault – 92400 Courbevoie.

Reappointment during the 2019 General Meeting held to approve the 2018 financial statements for a term of six years until the 2025 General Meeting held to approve the 2024 financial statements.

KPMG,

Represented by Mr. Vincent de Becquevort,

Tour EQHO – 2, avenue Gambetta 92066 Paris La Défense.

Appointment during the 2019 General Meeting held to approve the 2018 financial statements for a term of six years until the 2025 General Meeting held to approve the 2024 financial statements.

9.2 | Information regarding share capital

9.2.1 | Share capital

Number of shares	**Share capital as of December 31, 2020.** The Company has a share capital of €13,336,506.43, comprising 13,997,173 fully paid shares. The shares have a par value of €0.9528.
Modification of capital and rights attached to shares	**Shares not representing capital** There are no shares not representing capital. **Total convertible or exchangeable securities or securities with warrants** There are no convertible or exchangeable bonds or bonds redeemable for shares or warrants or any other securities likely to increase the share capital. **Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid up or any undertaking to increase share capital** None **Information about the capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option** None
Control of Cegedim	**Cegedim is controlled by FCB and Jean-Claude Labrune, as indicated in the Universal Registration Document.** The following mechanisms are in place to ensure that control is not exercised in an abusive manner: see "Internal control contributors" in Chapter 7 "Risk management", section 7.4 "Internal control"; "Independent directors" in Chapter 2 "Governance", section 2.2 "Composition of the Board of Directors" and section 2.4 "Board committee operating procedures" on the Audit, Strategy, Nomination and Remuneration committees.
Change of Control	**Agreements which may at a subsequent date result in a change of control** At the date of filing of this Registration Document and to the best of the Company's knowledge, there are no agreements which, when implemented, could, at a subsequent date, result in a change in its control..
Shareholders' agreements	On February 13, 2018, Bpifrance sold 12% of Cegedim shares on the financial market. As part of the transaction, the shareholders' agreement dated October 28, 2009, between Jean-Claude Labrune, FCB (the family holding controlled by M. Jean-Claude Labrune), and Bpifrance was terminated, as was the agreement between the parties to act in concert.

9.2.2 | Share capital history

Date	Transaction	Number of shares – Created	Number of shares – After transactions	Premiums (in euros)	Capital (in euros)	Par value (in euros)
	Initial number of shares	488,300	-	-	-	15.24
Dec. 1994	Takeover of Cegedim (1)	6,594	494,894	3,308,684.72	7,544,610.39	15.24
	Four-for-one stock split	1,484,682	1,979,576	-	7,544,610.39	3.81
	Capital increase	120,000	2,099,576	7,090,892.39(2)	8,001,957.45	3.81
Apr. 1998	Four-for-one stock split	6,298,728	8,398,304	-	8,001,957.45	0.9528063
Dec. 2000	Conversion of capital into euros (3)	-	8,398,304	-	8,001,904.05	0.9528
Dec. 2000	Capital increase through contribution in kind	891,112	9,9289,416	70,900,927.60(4)	8,891,004.61	0.9528
Dec. 2000	Capital increase through cash contribution	42,033	9,331,449	73,910,793.03(5)	8,891,004.61	0.9528
Dec. 2009	Capital increase through cash contribution	4,665,724	13,997,173	-	13,336,506.34	0.9528

1) FCB, which, since it was founded in 1989, has held 98.61% of Cegedim, merged with Cegedim on December 26, 1994, and took over its name. This internal operation was carried out on the basis of the companies' book value.
2) Cumulative 1994 merger premium, and €3,782,207.67 in issue premium.
3) When the share capital was converted into euros, the par value of the share was set at €0.9528. The conversion rounding based on 8,398,304 shares (i.e. €53.40) resulted in a capital reduction allocated to the non-distributable reserves.
4) The cumulative premiums mentioned in (2) are increased by the contribution premium of €63,810,035.2.
5) The cumulative premiums mentioned in (3) are increased by the issue premium of €3,009,865.44.

Shareholders owning more than 5% of capital or voting rights

To the best of the Company's knowledge,

- **at the date of filing this Registration Document,** the shareholders owning more than 5% of capital or voting rights are FCB. FCB holds 53.8% of Cegedim shares and 68.67% of voting rights
- **at December 31, 2020**, the shareholders owning more than 5% of capital or voting rights are FCB. FCB holds 53.4% of Cegedim shares and 68.3% of voting rights.

FCB is a French public limited company (société anonyme or SA) with a Supervisory Board and a Management Board with capital of €475,560 (registered in the Trade and Companies Register of Nanterre under number 340 651 132). The majority of its capital is held by Jean-Claude, Laurent and Aude Labrune. It is an active holding company.

The latest reported changes in beneficial ownership are as follows:

February 19, 2021, FMR LLC (Wilmington, Delaware, United States)

FMR LLC reported indirectly crossing below the 5% threshold of capital via Fidelity Management & Research Company LLC. It holds 635,696 Cegedim shares indirectly, or 4.54% of capital and 2.92% of voting rights.

It crossed below this threshold after selling Cegedim shares on the market.

On this occasion, Fidelity Management & Research Company LLC separately [MC1] crossed beneath the same threshold.

February 6, 2020, Fidelity Management & Research Company LLC (Wilmington, Delaware, United States), controlled by FMR LLC

Fidelity Management & Research Company LLC (Wilmington, Delaware, United States), which is controlled by FMR LLC, reported crossing above the 5% threshold of voting rights and separately owning 1,101,749 Cegedim shares, or 7.87% of capital and 5.04% of voting rights. It crossed above this threshold after buying Cegedim shares on the market.

On this occasion, FMR LLC (Wilmington, Delaware, United States) did not cross any thresholds and at February 6, 2020, owned 1,232,432 Cegedim shares indirectly via the companies it controls, representing the same number of voting rights, or 8.80% of shares and 5.64% of voting rights.

September 13, 2019

Caisse des dépôts (CDC), through CDC Croissance (ex CDC EVM) crossed the 5% threshold of capital and voting rights, with 5.01% of shares and 5.12% of voting rights, after acquisition of shares on the market by CDC Croissance and indirectly through the shareholding by Bpifrance participations(1). The shares and voting rights are distributed as follows:

	% of shares	% of voting rights
CDC directly	0.00%	0.00%
Bpifrance Participations	2.99%	3.84%
CDC Croissance	2.02%	1.28%
Total CDC	**5.01%**	**5.12%**

September 10, 2019

Caisse des dépôts (CDC), through CDC Croissance (ex CDC EVM) crossed the 5% threshold of voting rights, with 4.85% of shares and 5.03% of voting rights, after acquisition of shares on the market by CDC Croissance and indirectly through the shareholding by Bpifrance participations(1). The shares and voting rights are distributed as follows:

	% of shares	% of voting rights
CDC directly	0.00%	0.00%
Bpifrance Participations	2.99%	3.84%
CDC Croissance	1.86%	1.19%
Total CDC	**4.85%**	**5.03%**

March 22, 2019: DNCA Investments

DNCA Investments declared that it crossed below the 5% threshold of capital following the off-market sale of its shares. DNCA Investments reported that it owns 4.99% of shares and 3.2% of voting rights.

May 24, 2018: DNCA Investments

DNCA Investments declared that it crossed below the 6% threshold of capital following the off-market sale of its shares. DNCA Investments reported that it owns 5.8% of shares.

February 15, 2018: Bpifrance Participations

Bpifrance Participations reported that it had crossed below the thresholds of 15%, 10%, and 5% of shares, and of 15%, 10%, and 5% of voting rights as a result of the operation to sell a portion of its Cegedim shares on February 13, 2018. Bpifrance Participations reported that it owns 3.0% of shares and 3.85%

of voting rights. Bpifrance Participations has committed to retaining a 3% stake in Cegedim until October 28, 2019.

February 15, 2018: The parties to the shareholders' agreement–FCB, Jean-Claude Labrune and Bpifrance Participations

The parties to the shareholders' agreement–FCB, Jean-Claude Labrune and Bpifrance Participations–reported that they had crossed below the threshold of 2/3 of shares and had dissolved the agreement of October 28, 2009, following Bpifrance Participations' sale of 12% of Cegedim's shares as part of an accelerated bookbuilding process on February 13, 2018.

February 15, 2018: FCB

FCB reported crossing the threshold of 66% of voting rights. FCB did not alter its stake, but it did report that due to the cancellation of double voting rights attached to the shares sold by Bpifrance Participations on February 13, 2018, the shareholders' agreement had crossed below the threshold of individual voting rights, while its own holding had crossed above the threshold. In other words, the percentage of voting rights rose automatically. After the operation, FCB held 52.7% of shares and 67.5% of voting rights.

February 14, 2018: DNCA Investments

DNCA Investments reported crossing the threshold of 5% of shares and 3% of voting rights after Bpifrance Participations sold a block of shares via an accelerated bookbuilding process on February 13, 2018. DNCA Investments reported that it owns 6.1% of shares and 3.9% of voting rights.

9.2.3 | Ownership structure

Shareholders

In accordance with article L. 233-13 of the French Commercial Code, and given the information and notifications received pursuant to articles L. 233-7 and L. 233-12 of this Code, the table below shows the capital and voting rights of the shareholders (individuals or legal entities) who directly or indirectly hold 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 December 31, 2019.

As of March 31, 2020

There was no significant change in the ownership structure between March 31, 2021, and the date of publication of this Universal Registration Document.

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,538,639	53;9,%	153,050	7,385,589	14,771,178	14,924,228	68.7,%
Bpifrance participations	287,221	2.1,%	0	287,221	574,442	574,422	2.6,%
Free Float [1]	5,969,884	42.7,%	5,902,977	66,907	133,814	6,036,791	27.8,%
Cegedim[2]	201,429	1.4,%	-	-	-	-	0.0,%
Total	**13,997,173**	**100.00,%**	**6,056,27**	**7,739,717**	**15,479,734**	**21,535,461**	**99.1,%**

(1) The free float includes the shares held by corporate officers and Board director (Jean-Pierre Cassan, Sandrine Debroise, Marcel Kahn, Aude Labrune, Jean-Claude Labrune, Laurent Labrune, Pierre Marucchi, Nicolas Giraud, Béatrice Saunier et Catherine Abiven), i.e. 14,588 shares or 0.10%. The detail of the corporate officers' and Board directors' holdings is presented in Chapter 2 section 2.2 "Other information on board members" of this document.

(2) Including the liquidity contract

As of December 31, 2020

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,467,721	53.4,%	82,132	7,385,589	14,771,178	14,853,310	68.3,%
Bpifrance participations	287,221	2.1,%	0	287,221	574,442	574,442	2.6%
Free Float[1]	6,067,901	43.4,%	5,999,994	67,907	135,814	6,135,808	28.2,%
Cegedim[2]	174,330	1.25,%	-	-	-	-	0.0%
Total	**13,997,173**	**100.00,%**	**6,082,126**	**7,740,717**	**15,481,434**	**21,563,560**	**99.2,%**

(1) The free float includes the shares held by corporate officers and Board director (Jean-Pierre Cassan, Sandrine Debroise, Marcel Kahn, Aude Labrune, Jean-Claude Labrune, Laurent Labrune, Pierre Marucchi, Nicolas Giraud, Béatrice Saunier et Catherine Abiven), i.e. 14,588 shares or 0.10%. The detail of the corporate officers' and Board directors' holdings is presented in Chapter 2 section 2.2 "Other information on board members" of this document.

(2) Including the liquidity contract.

As of December 31, 2019

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,430,368	53.1,%	44,779	7,385,589	14,771,178	14,815,957	67.8,%
Bpifrance participations	419,915	3.0,%	0	419,915	839,830	839,830	3.8,%
Public(1)	6,016,658	43.0,%	5,960,392	56,266	112,532	6,072,924	27.8,%
Cegedim(2)	130,232	0.9,%	-	-	-	-	0.00,%
Total	**13,997,173**	**100.00,%**	**6,005,171**	**7,861,770**	**15,723,540**	**21,728,711**	**99.4,%**

(1 The free float includes the shares held by corporate officers and Board director (Jean-Pierre Cassan, Sandrine Debroise, Marcel Kahn, Aude Labrune, Jean-Claude Labrune, Laurent Labrune, Pierre Marucchi, Nicolas Giraud, Béatrice Saunier et Catherine Abiven), i.e. 20,601 shares or 0.15%. The detail of the corporate officers' and Board directors' holdings is presented in Chapter 2 section 2.2 "Other information on board members" of this document.

(2) Including the liquidity contract.

As of December 31, 2018

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,407,411	52.9,%	36.669	7,370,742	14,741,484	14,778,153	67.7,%
Bpifrance participations	419,915	3.0,%	0	419,915	839,830	839,830	3.9,%
Public(1)	6,034,255	43.1,%	5,990,666	43.589	87,178	6,077,844	27.8,%
Cegedim(2)	135,592	1.0,%	-	-	-	-	0.00,%
Total	**13,997,173**	**100.00,%**	**6,027,335**	**7,824,246**	**15,668,492**	**21,695,827**	**99.3,%**

(1) The free float includes the shares held by corporate officers and Board director (Jean-Pierre Cassan, Sandrine Debroise, Marcel Kahn, Aude Labrune, Jean-Claude Labrune, Laurent Labrune, Pierre Marucchi, Nicolas Giraud, Béatrice Saunier et Catherine Abiven), i.e. 22,121 shares or 0.16%. The detail of the corporate officers' and Board directors' holdings is presented in Chapter 2 section 2.2 "Other information on board members" of this document.

(2) Including the liquidity contract.

Treasury shares

At the end of 2020, the Company owned 174,330 treasury shares. During that financial year, excluding operations within the framework of the liquidity contract, Cegedim acquired 12,042 shares on the market as part of its free share award plan. This involved the transfer by the Company of 13,972 treasury shares. The Company did not proceed with any transactions for the sale or cancellation of treasury shares in 2020.

The Company has set up a €500,000 liquidity contract with Kepler Cheuvreux. As of December 31, 2020, the contract involved 10,000 Cegedim shares and €98,615.55 in cash.

Between December 31, 2020, and the date of the publication of this Universal Registration Document, Cegedim acquired 44,675 shares on the market as part of its free share award plan. The Company did not proceed with any transaction for the sale or cancellation of treasury shares during this period, apart from the award of free shares.

9.2.4 | Stock market information

Stock market indicators

Cegedim shares

Cegedim is listed on Euronext Paris, compartment B.

ISIN code: FR0000053506

Reuters ticker: CGDM.PA

Bloomberg ticker: CGM

Cegedim's share price is available on the Company's website: Cegedim.com, subject to a short time delay.

Stock market performance as of December 31, 2020

Cegedim shares performed negatively in 2020. The closing price at the end of December 2020 was €25.50, down 12.1% over the period.

During 2020, the lowest price was €19.12 on March 23, 2020, and the highest price was €33.20 on July 15, 2020.

Shareholder contacts

Jan Eryk Umiastowski

Chief Investment Officer

Head of Investor Relationss

Tel : + 33 (0) 1 49 09 33 36

Email : janeryk.umiastowski@cegedim.com

Stock market performance over the past four years

January - June		2017	2018	2019	2020
Closing price	€	33,2	19,8	29,0	25,5
Average for the period	€	29,7	32,6	26,1	27,0
High for the period	€	34,0	44,5	29,9	33,2
Low for the period	€	23,9	19,0	19,1	19,1
Market capitalization	€m	464,0	276,0	406,0	357,0
Outstanding shares	M	14,0M	14,0M	14,0M	14,0M

Financial Community Relations

Cegedim's financial communication policy is to deliver rapid, relevant, and timely information on the company's performance to investors and the market.

One key element of communication with the market is the publication of financial results, for example the annual and quarterly reports.

Cegedim organizes webcasts to coincide with its financial press releases. It has regular contact with institutional investors in Europe and the US through meetings and roadshows, either face-to-face or virtually depending on the health conditions..

Financial reporting policy

Straightforward, transparent, and clear.

Sustained roadshow program

Cegedim also meets investors at roadshows—either face-to face or virtually depending on the health conditions— in the US(Boston, New-York, Chicago, Denver, Salt Lake City, Los Angeles, Atlanta, San Francisco), and Europe's major financial centers (Madrid, London, Paris, Geneva, Frankfurt, Lyon[JB1]).

2021 financial calendar

April 27 after the close: Q1 2021 revenues

June 17: Shareholders' meeting

July 27 after the close: Q2 2021 revenues

September 16 after the close: H1 2021 results

October 28 after the close: Q3 2021 revenues

9.2.5 | Related-party transactions

Regulated agreements	The regulated agreements that were submitted to the Board of Directors for prior approval are set forth in the Statutory Auditors' Special Report included in Chapter 8 of this Universal Registration Document. Note 19 to Section 4.6 of Chapter 4 of this Universal Registration Document provides a detailed breakdown of transactions with related parties. To date, no new agreements have been authorized.

9.3 | Persons responsible

Person responsible for the Universal Registration Document	Jean-Claude Labrune Chairman & CEO of Cegedim S.A.
Person responsible for the information	Jan Eryk Umiastowski Chief Investment Officer & Head of Investor Relations
Statement of the person responsible for the Universal Registration Document	I hereby certify, that to the best of my knowledge, after taking all reasonable steps to this end, the information contained in this Universal Registration Document is true and fair and contains no omissions likely to alter its scope. I certify that, to my knowledge, the annual consolidated and parent company financial statements of Cegedim SA for the year ended December 31, 2020 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and results of the Company and the undertakings included in the consolidation, and that the Management Report (the cross-reference table for which is shown on section 9.6.2 of this chapter) includes a fair review of the development of the business, the results of operations and the financial position of the Company and of all the undertakings included in the consolidation and also describes the main risks and uncertainties to which they are exposed. I have obtained a statement from the Statutory Auditors, KPMG Audit and Mazars, confirming that they have audited the information contained in this document relating to the financial position and the financial statements contained herein, and that they have read this document in its entirety. Boulogne-Billancourt, April 16 2021 Jean-Claude Labrune | Chairman & CEO | Cegedim SA

9.4 Documents on display

Documents on display	Corporate documents (financial statements, minutes of Shareholders' Meetings, attendance registers for Shareholders' Meetings, list of Directors, Statutory Auditors' reports, bylaws, etc.) for the last three financial years may be consulted at Cegedim Headquarters at 129-137 rue d'Aguesseau, 92100, Boulogne-Billancourt. The "Regulatory information" section of the Company's website is available at the following URL: https://www.cegedim.com/finance/documentation/regulated_information/Pages/default.aspx This area of the website contains all the regulatory information provided by Cegedim pursuant to the provisions of articles 221-1 et seq. of the French Financial Markets Authority (AMF) General Regulation.
Procedures for communicating regulatory information	Pursuant to obligations—applicable since January 20, 2007—to disclose regulatory information resulting from the implementation of the Transparency Directive in the AMF's General Regulations, Cegedim's Financial Communications Department oversees the proper and full disclosure of regulatory information. This information is filed with the AMF at the time of its disclosure and stored on the Cegedim website. Full and effective communication is carried out electronically in compliance with the criteria defined by the AMF's General Regulations, which require communication to a wide audience within the European Union and under conditions guaranteeing the security of the communication and information. Accordingly, Cegedim's Financial Communications Department has chosen to work with a professional communications agency satisfying the communication criteria set by EU Regulation No. 596/2014 on market abuse and the AMF's General Regulations. The communications agency is included on the list published by the AMF, thus benefiting from a presumption of full and effective communication.

9.5 Historical Financial Information

2020 Statutory Auditors' reports	The parent company financial statements for the year ended December 31, 2020 (and their comparative financial statements), and the consolidated financial statements for the year ended December 31, 2020 (and their comparative financial statements drawn up in accordance with IFRS), were audited by the Statutory Auditors. The Statutory Auditors' reports concerning the 2020 financial year are presented respectively in Chapter 5, Section 5.4 and Chapter 4, Section 4.7 of this Universal Registration Document..
2019 Statutory Auditors' reports	The reports for the 2019 financial year are presented in the Universal Registration Document filed with the Autorité des Marchés Financiers on March 31, 2020, under number D. 20-0218.
2018 Statutory Auditors' reports	The reports for the 2018 financial year are presented in the Registration Document filed with the Autorité des Marchés Financiers on March 29, 2019, under number D. 19-0230.

The 2019 and 2018 reports and the accompanying financial statements are incorporated by reference in this Universal Registration Document.

9.6 | Reference table

9.6.1 | Universal Registration Document

This reference table is based on the headings set out in Annex I and II of Delegated Regulation (EU) 2019/980 of the Commission of 14 March 2019 and refers to the pages of this universal registration document on which the relevant information can be found.

Chapter number and headings	Section
1. Persons responsible, third party information, experts' reports and competent authority approval	**9.3**
2. Statutory auditors	**9.1**
3. Risk factors	**3.1 / 4.6 note 3 / 5.3.3 note 30 / 4.6 note 11.8 / 7.1 / 7.2 / 7.3**
4. .Information about the issuer	**9.1**
5. Business overview	
5.1 Principal activities	Big Picturea / 1.2 / 6.2
5.2 Principal market	1.2
5.3 he important events in the development of the issuer's business	1.2 / 3.7 / 4.6 note 3 and 20.4
5.4 Strategy and objectives	Big Picturea / 1.2 / 3.6 / 6.2
5.5 Dependence on patents, licenses, contracts or new manufacturing processes	N/A
5.6 Basis for any statements made by the Group regarding its competitive position	1.2
5.7 Investments	3.3 / 4.6 note 5.2, 5.3, 10.1, 10.2, 10.3 and 10.4 / 5.3 note 1
6. Organizational structure	
6.1 1 Brief description of the group	1.1 / 1.2
6.2 List of significant subsidiaries	1.1 / 1.2 /5.3.4 / 5.3.5 / 5.3.6
7. Operating and financial review	
7.1 Financial condition	Big Picturea / 3.2 / Chapter 4 et 5
7.2 Operating results	Panormama / 3.2 / Chapter 4 et 5
8. Capital resource	
8.1 Information on Issuer's capital resources	3.2.2 / 3.2.2.1 / 4.1 / 4.4
8.2 Sources and amounts of cash flows	3.2.3 / 4.5 /4.6
8.3 Information on borrowing requirements and funding structure	3.2.2.2 / 3.3 /4.6 note 11
8.4 Restrictions on the use of capital resource	2.5 / 3.7
8.5 Anticipated sources of funding	3.2.3/ 3.2.2.2 / 4.6 note 11
9. Regulatory environment	**1.2 / 6.6.1 / 7.2.1**
10. Trend information	**3.6**

Chapter number and headings	Section
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12.1 Board of Directors and Senior Management	2.2 / 2.1.1 / 2.2.2 / 2.2.3 / 2.2.4 / 2.2.6 / 2.2.7 / 2.2.8
12.2 Conflicts of interest affecting administrative, management and supervisory bodies and Senior Management	2.2.59
13. Remuneration and benefits	
13.1 Remuneration and benefits in kind	2.3
13.2 Amounts set aside or accrued to provide pension, retirement or similar benefits	2.3 / 4.6 note 8.3 et 18
14. Board practices	
14.1 Expiry date of current terms of office	2.2.1
14.2 Service contract	2.2.5 / 2.3 / 4.6 note 11.9 / 8.2
14.3 Information about the issuer's Audit Committee and Remuneration Committee	2.2.1 / 2.2.8
14.4 Statement regarding the compliance with the corporate governance regime	2.2.1
14.5 Potential material impacts on corporate governance	2.3
15. Employees	
15.1 Number of employees and breakdown of persons employed	Big Picture / 4.6 note 8.2 / 5.3.3 note 26 / 6.4
15.2 Shareholding and stock options	2.5 / 2.2.6.1
15.3 Employee involvement in the capital of the issuer	2.4 / 436 note 8.3
16. Major shareholders	
16.1 Notifiable interests in share capital or voting rights	9.2.2
16.2 Existence of specific voting rights	2.5 / 5.3.3 note 22 / 9.2.3
16.3 Control of the Issuer	5.3.3 note 22 / 9.2.3
16.4 Agreements known to the Issuer which could lead to a change in control, if implemented	2.5 / 3.7 / 4.6 note 19 / 9.2.1
17. Related-party transactions	**2.2.5 / 2.3.1 / 4.6 note 19**
18. Financial information concerning Pernod Ricard's assets and liabilities, financial position and profits and losses	
18.1 Historical financial information	3.2 / 3.2.2 / Capitre 4 / 5.5 / 9.5
18.2 2 Interim financial information	N/A
18.3 Audit of annual historical financial information	5.4 / 4.7
18.4 Pro forma financial information	N/A
18.5 Dividend policy	13.10
18.6 Legal and arbitration proceedings	4.6 note 20.4
18.7 Significant change in the financial position	N/A

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19. Additional information	
19.1 Share capital	9.2.1
19.1.1 Issued capital	9.2.1
19.1.2 Other shares	9.2.1
19.1.3 Treasury shares	9.2.3
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19.1.5 Conditions of acquisition	9.2.2
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19.2.1 Corporate purpose	9.1
19.2.2 Rights and privileges of shares	2.5 / 2.6.1
19.2.3 Items potentially affecting a change of control	2.5
20. Material contracts	**3.796- 97**
21. Documents available	**9.4**

9.6.2 | Management Report

This Universal Registration Document contains all elements of the management report as required by articles L. 225-100 et seq., L. 232-1, II and R. 225-102 et seq. of the French Commercial Code.

Information	Section
Position and activity of the Company during the past financial year	3.8
Advances made or difficulties encountered	3.8
Results	3.8
Research and Development activities	3.9
Forecast developments in the Company's position and outlook	3.6
Landmark events that occurred between the balance sheet date and the writing of this management report	5.3.3 note 31
Objective and exhaustive review of the development of the business, financial position and financial results of the Company (particularly its financial debt) and non-financial performance indicators (particularly concerning the environment and personnel).	3.2
Description of the main risks and uncertainties faced by the Company, and notes concerning the Company's use of financial instruments, when the use of such instruments is pertinent to the evaluation of its assets, liabilities, financial position and gains or losses	7.2
Report on employee profit-sharing plans(as well as those for Directors), transactions that took place as part of stock options plans reserved for salaried employees and Directors, transactions that took place as part of bonus share plans reserved for salaried employees and Directors	2.3 / 2.4 / 4.6 note 8.3 / 5.3.3 note 20, 21 and 25
Activity of the Company's affiliates	1.2 / 4.6 note 5 / 5.3.4 / 5.3.5 / 5.3.6
Significant share holdings in companies based in France	5.3.5 / 5.3.4 / 5.3.3 note 30
Disposal of shares in order to ensure that cross-holdings are compliant with the rules	N/A
Information related to the allocation of share capital	9.2
Dividends distributed during the last three years	3.10
Changes made to the format of the financial statements	N/A
Injunctions or financial penalties for antitrust practices	N/A
Extra-Financial statement (Déclaration de performance extra-financière)	Chapter 6
Information relating to interest and exchange rate risks, as well as risks linked to changes in Stock Market prices	7.2.2.2
Information required by article L. 225-211 of the French Commercial Code in cases of transactions carried out by the Company on its treasury shares	9.2.3
Transactions relating to shares held by Managers	2.2.6
Statement of Company results for the last five years	5.5
Expenses and charges referred to in Article 223 quater of the CGI (French Tax Code)	5.3.3 note 19
The breakdown of supplier payables set out in articles L. 441-6-1 and D. 441-4 of the French Commercial Code	3.9.1
The information on the supplier payment deadlines set out in article L. 441-6-1 of the French Commercial Code in its wording under Decree no. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016	3.9.1
Inventory of marketable securities	5.3.4 / 5.3.5 / 5.3.6
Internal control and risk management	7.1 / 7.4

9.6.3 | Corporate governance report

This Universal Registration Document contains contains all elements of the corporate governance report as required by articles L. 225-37 et seq. of the French Commercial Code.

Information	Section
Body chosen to serve as the Company's General Management (if the Management structure has changed)	2.1 / 2.2
List of offices or positions held by each of the Executive Directors in all companies	2.2.2
Compensation and benefits of any kind for each of the Executive Directors	2.3
Statement and report on the delegations for a share capital increase	N/A
Information required by article L. 225-37-5 of the French Commercial Code that may have an impact on a public offer	2.5 / 3.7.1 / 9.2.1
Shareholders' Meeting and how to take part	2.6
Rights attached to shares	2.5

9.6.4 | Annual Financial Report

This Universal Registration Document includes all elements of the financial report asset forth in articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation.

Information	Section
Group consolidated financial statements	Chapter 4
Statutory Auditors' report on the consolidated financial statements	4.7
Company annual financial statements	Chapter 5
Statutory Auditors' report on the annual financial statement	5.4
Management report	See Reference table 9.6.2
Declaration by the person responsible for the annual financial report	9.3
Statutory Auditors' fees	4.6 note 20.2

2020

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