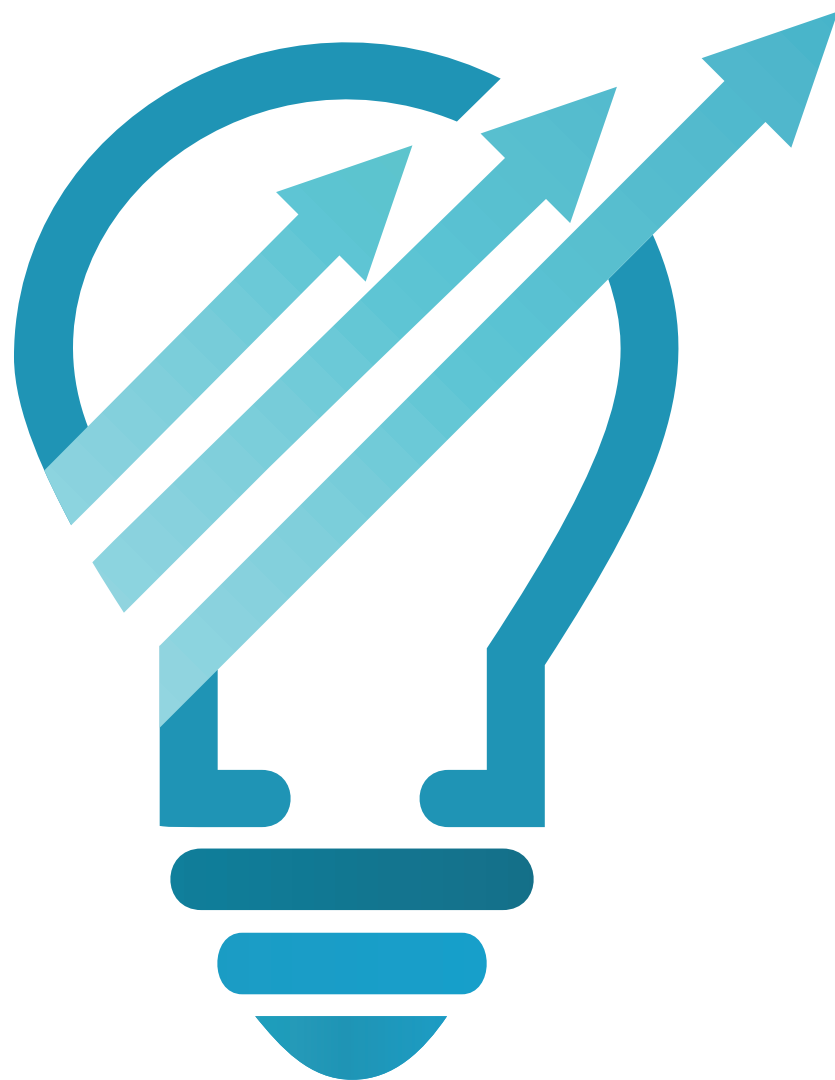


2021

INTERIM # FINANCIAL # REPORT



CERTIFICATION BY THE PERSON ASSUMING RESPONSIBILITY FOR THE HALF-YEAR FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the condensed interim consolidated statements for the six first months have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, financial position and profit or loss of the parent company and of all consolidated companies, and that the Interim Management Report gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, of the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Boulogne-Billancourt, September 16, 2021

Jean-Claude Labrune, Chairman & CEO,
Cegedim SA

01 CEGEDIM : THE BIG PICTURE

02 INTERIM ACTIVITY REPORT

03 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

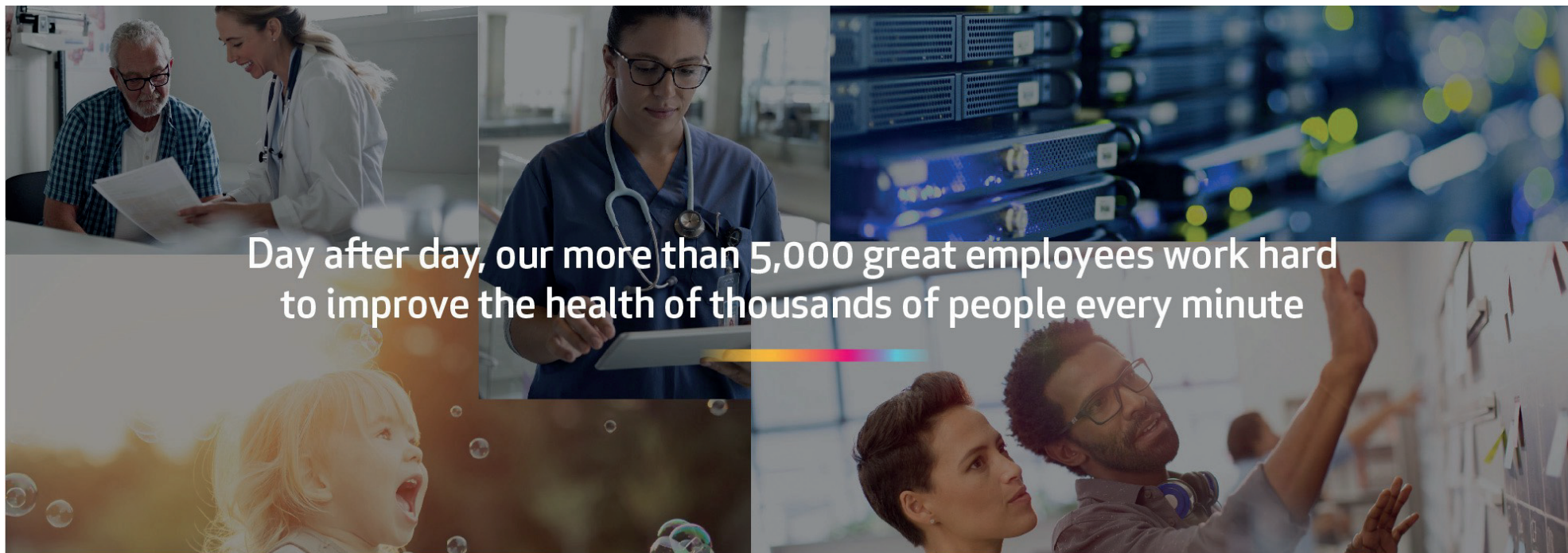
SUMMARY

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01

**CEGEDIM :
THE BIG PICTURE**

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

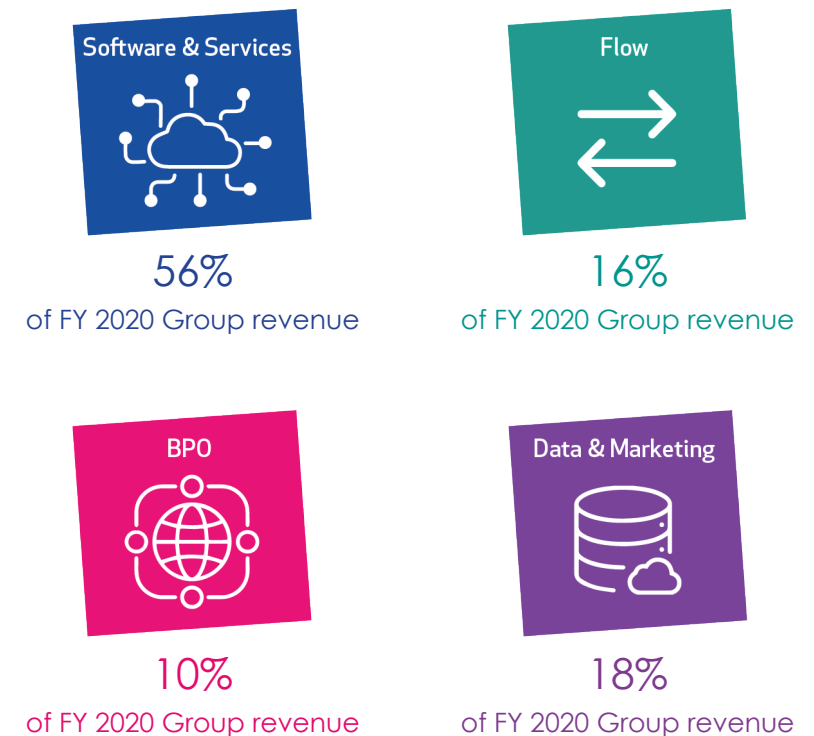
1.1 | This is Cegedim

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



1.2 | Cegedim in H1 2021

"The year got off to a particularly robust start, with large contract wins in project-related activities, notably in health insurance. The Group's investments in innovation are paying off. We also launched Cegedim Santé in France, a new unit with its own brand aimed at making us more competitive by bundling products and services for the healthcare professional market while also responding to new public health challenges. Conditions are still volatile and uncertain, and we are still feeling the impacts of the pandemic, but revenues rose more than 6% like for like in the first half of 2021 compared with 2020, and recurring operating income is nearly at H1 2019 levels. This reflects our unique positioning within the healthcare space, offering data management, digital technologies, software, flow management, and related services. Lastly, the acquisition of two best-in-class companies, Medimust and Kobus Tech has, among other things, made Cegedim the top medical software publisher in France⁽¹⁾ and will allow it to meet the needs of more than 100,000 French healthcare professional."

Laurent Labrune | Cegedim Group Deputy Managing Director

Q1 Revenue		
2020	+3.3%	€121.5m
2021	+1.0%	€122.5m

Q2 Revenue		
2020	(8.0)%	€114.7m
2021	+11.7%	€128.7m

Q3 Revenue		
2020	+1.9%	€118.9m
2021	—	—

Q4 Revenue		
2020	+2.3%	€141.8m
2021	—	—

H1 Revenue		
2020	(2.5)%	€236.2m
2021	+6.2%	€251.2m
Recurring Operating Income		
2020	(50.1)%	€6.3m
2021	+70.4%	€10.7m

FY Revenue		
2020	(0.2)%	€496.9m
2021	—	—
Recurring Operating Income		
2020	+11.8%	€41.5m
2021	—	—

(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators.

1.3 | Financial key indicators

Key consolidated figures

in millions of euros	06/30/2021	06/30/2020	Change %	06/30/2019
Revenue	251.2	236.2	+6.3%	245.8
EBITDA⁽¹⁾	42.6	38.2	+11.3%	45.5
EBITDA margin ⁽¹⁾	16.9%	16.2%	+75bps	18.5%
Amortization and depreciation	(31.8)	(31.9)	(0.4)%	(32.8)
Recurring operating income⁽¹⁾	10.7	6.3	+70.4%	12.6
Recurring operating margin ⁽¹⁾	4.3%	2.7%	+161bps	5.1%
Other non-recurring operating income and expenses ⁽¹⁾	+4.1	(6.2)	n.m.	(16.3)
Operating income	14.8	0.1	n.m.	(3.6)
Operating margin	5.9%	0.1%	+585bps	(1.5)%
Cost of net financial debt	(5.5)	(4.6)	+20.6%	(4.5)
Total taxes	(2.8)	(0.2)	n.m.	(2.1)
Consolidated Profit (loss) for the period	6.5	(4.6)	n.m.	(10.2)
Consolidated net income (loss) attributable to owners of the parent	6.5	(4.7)	n.m.	(10.2)
Total capital expenditures⁽²⁾	33.3	(32.5)	(4.0)%	(30.6)
Free cash flow from operation⁽¹⁾	23.4	18.1	+29.2%	(35.8)
Net financial debt⁽¹⁾ excluding debt related to right-of use	159.5	176.1	(9.4)%	180.6

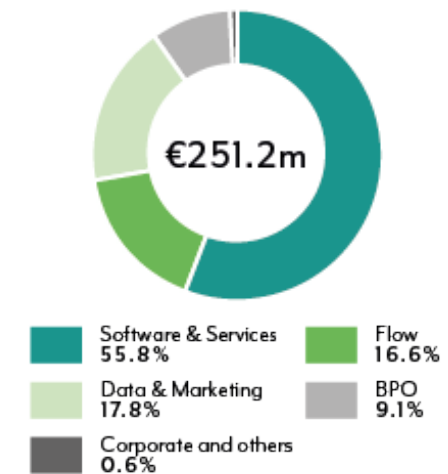
Per share data

In €	06/30/2021	06/30/2020	06/30/2019
Current earnings per share⁽¹⁾	0.4	(0.2)	(0.4)
Earnings per share	0.5	(0.3)	(0.7)

(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators.

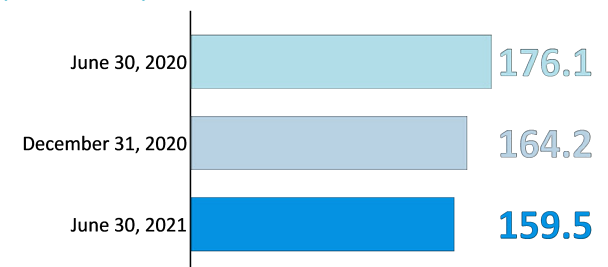
(2) Excluding acquisition / disposal and investment in discontinuing activities.

Revenue by business



Net financial debt⁽¹⁾

(in € million)



(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators.

1.4 | Our core division in the first half of 2021

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

+4.9%

Reported

+4.6%

Like-for-like

Revenue growth

€140.2m

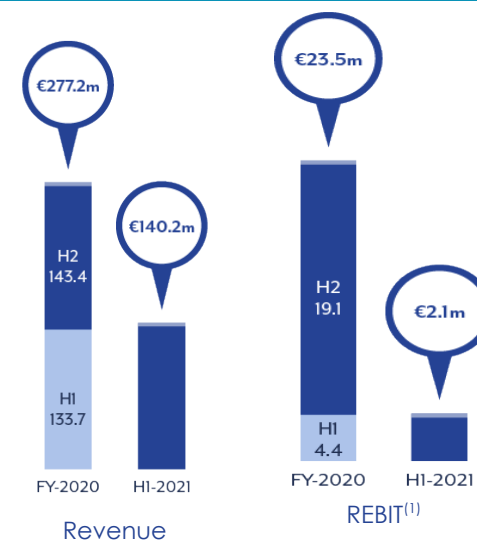
Revenue

€2.1m

REBIT

1.5%

REBIT margin



See section 2.2.1.1

Flow



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

+8.7%

Reported

+8.7%

Like-for-like

Revenue growth

€41.7m

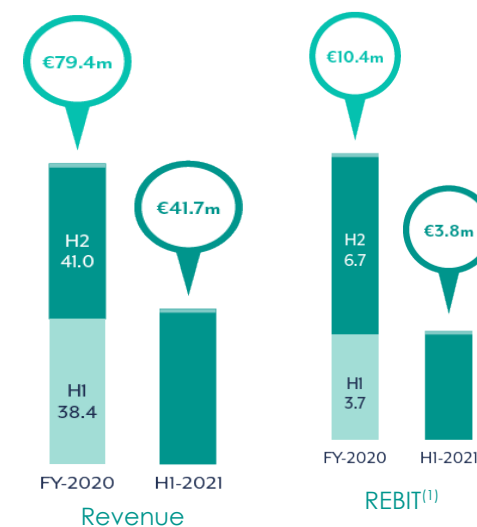
Revenue

€3.8m

REBIT

9.2%

REBIT margin



See section 2.2.1.2

Data & Marketing



18%

of FY 2020
Group revenue

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.

+16.4%

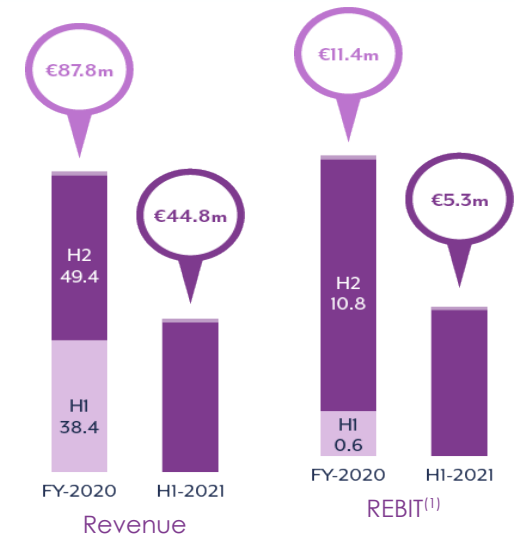
Reported

+16.5%Like-for-like⁽¹⁾

Revenue growth

€44.8m

Revenue

€5.3mREBIT⁽¹⁾**11.8%**REBIT margin⁽¹⁾

See section 2.2.1.3

BPO



10%

of FY 2020 Group
revenue

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

(4.3)%

Reported

(4.3)%Like-for-like⁽¹⁾

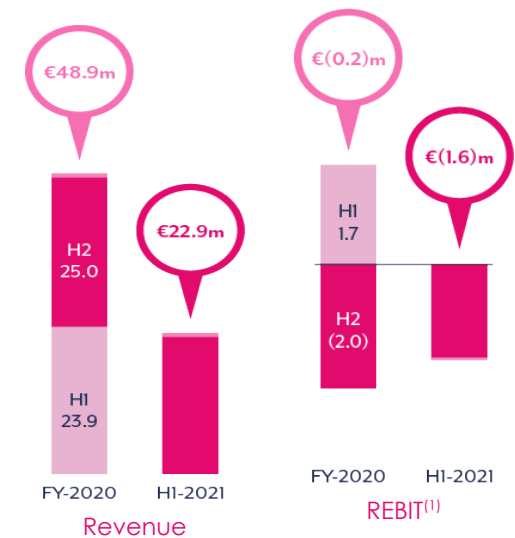
Revenue growth

€22.9m

Revenue

€(1.6)mREBIT⁽¹⁾**(7.2)%**

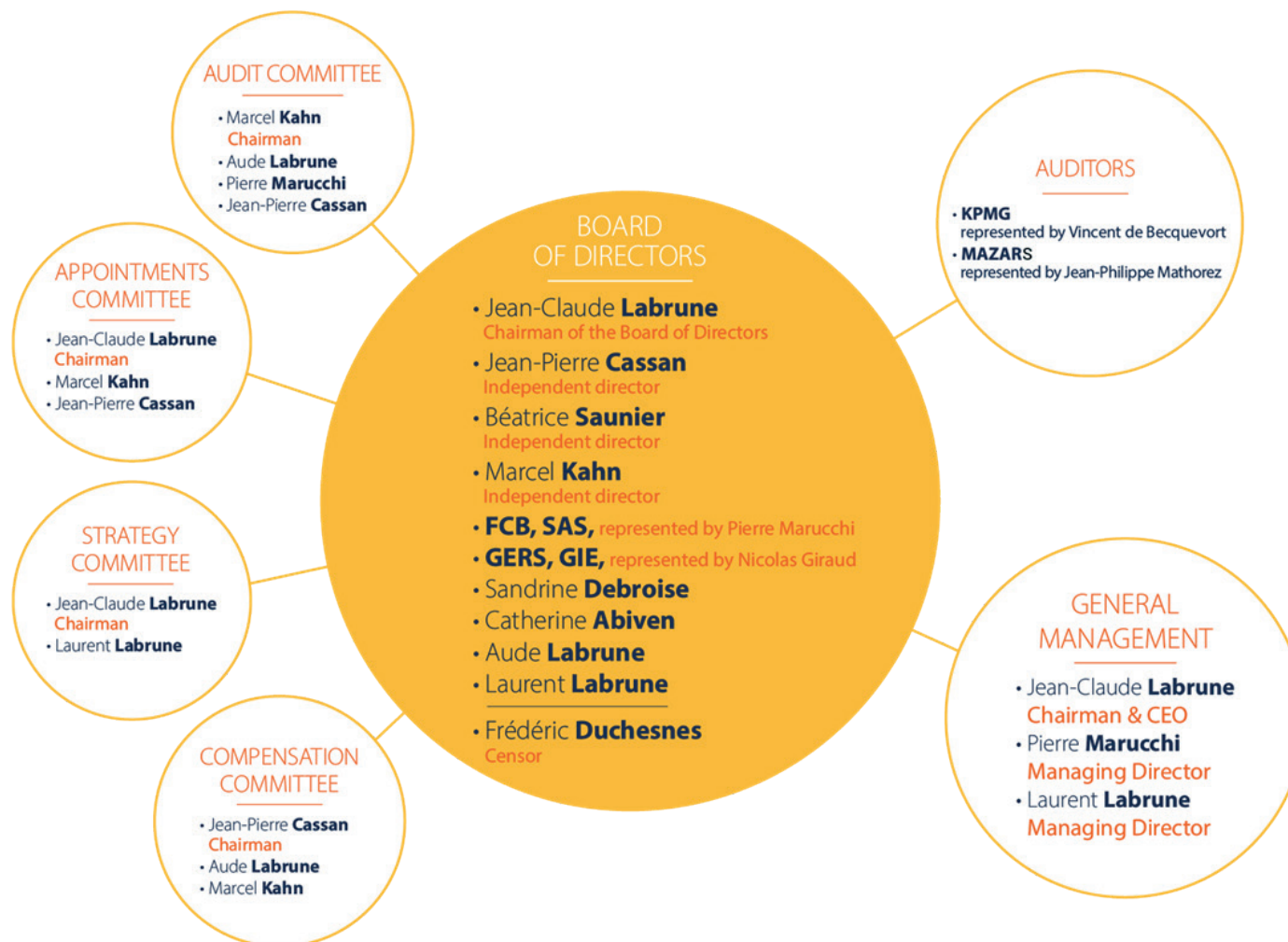
REBIT margin



See section 2.2.1.4

(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators.

1.5 | Executives and supervisory bodies, statutory auditors



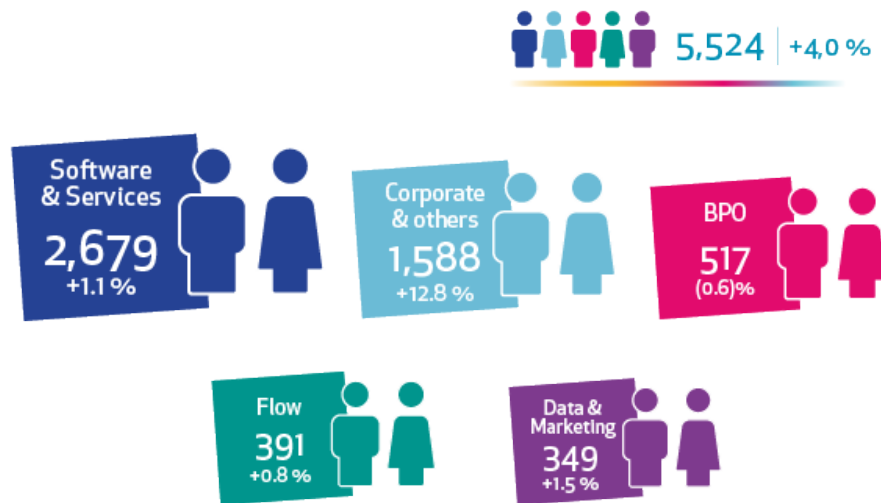
As of this Interim Financial Report's publication date.

1.6 | Employees

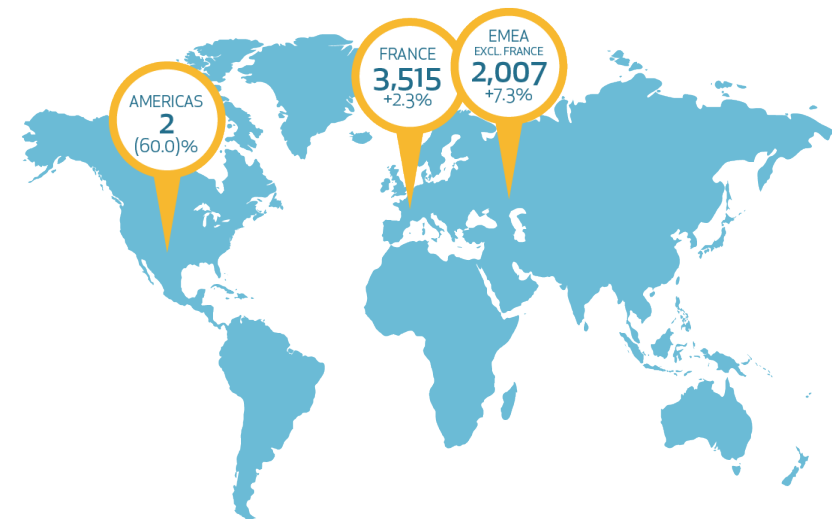


5,524

Employees



Employees by division



Employees by country

1.7 | Stock market information

Stock market indicators

Cegedim shares

Cegedim is listed on Euronext Paris, compartment B.

ISIN code: FR0000053506

Reuters ticker: CGDM.PA

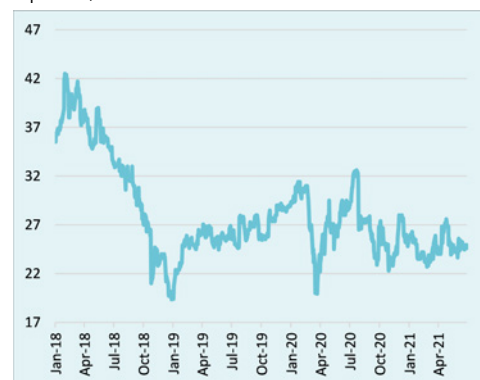
Bloomberg ticker: CGM

Cegedim's share price is available on the Company's website: Cegedim.com, subject to a short time delay.

Stock market performance as of June 30, 2021

Cegedim shares performed negatively in the first half of 2021. The closing price at the end of June 2021 was €24.60, down 3.5% over the period.

The lowest price was €22.50 on February 26, 2021, and the highest price was €27.70 on April 26, 2021.



Shareholder contacts

Jan Eryk Umiastowski

Chief Investment Officer

Head of Investor Relations

Tel : + 33 (0) 1 49 09 33 36

Email : janeryk.umiastowski@cegedim.com

Stock market performance over the past four years

January - June		2018	2019	2020	2021
Closing price	€	33.60	26.90	28.70	24.60
Average for the period	€	37.63	25.04	27.49	24.72
High for the period	€	44.50	28.00	31.95	27.70
Low for the period	€	33.00	19.05	19.12,1	22.50
Market capitalization	€m	470.3	376.5	401.7	344.3
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).

2021 financial calendar

October 28 after the close: Q3 2021 revenues

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

Entrepreneurial culture



02

**INTERIM
ACTIVITY REPORT**

Preamble | Secteur and division comparison

Comments

To help you analyze revenue, Recurring Operating Income⁽¹⁾ and EBITDA⁽¹⁾ figures, we have provided below a table comparing the sector (by client segment: Health insurance, HR and e-services, and Healthcare professionals) and division (by business activity: Software & Services, Flow, Data & Marketing, and BPO) figures. The reconciliation of Revenue, EBITDA⁽¹⁾ 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" and 2.1 "Group structure".

Sector / division revenue comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	Corporate & others	Total
Software & Services	67.2	73.0	0.0	140.2
Flow	41.7	0.0	0.0	41.7
Data & Marketing	44.8	0.0	0.0	44.8
BPO	22.9	0.0	0.0	22.9
Corporate and others	0.0	0.0	0.0	1.5
Cegedim	176.6	73.0	1.5	251.2

Sector / division EBITDA⁽¹⁾ comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	Corporate & others	Total
Software & Services	17.6	2.1	0.0	19.7
Flow	7.4	0.0	0.0	7.4
Data & Marketing	8.0	0.0	0.0	8.0
BPO	0.1	0.0	0.0	0.1
Corporate and others	0.0	0.0	7.5	7.5
Cegedim	32.9	2.1	7.5	42.7

Sector / division Recurring operating income⁽¹⁾ comparison

in € millions	Health insurance, HR and e-services	Healthcare Professional	Corporate & others	Total
Software & Services	8.6	(6.5)	0.0	2.1
Flow	3.8	0.0	0.0	3.8
Data & Marketing	5.3	0.0	0.0	5.3
BPO	(1.6)	0.0	0.0	(1.6)
Corporate and others	0.0	0.0	1.2	1.2
Cegedim	16.1	(6.5)	1.2	10.7

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

2.1 | Interim period 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.

Acquisition of Kobus in France

On April 30, 2021, *Cegedim* acquired French start-up *Kobus Tech*, which specializes in patient management for physical therapists (patient care summaries, exercise prescription, mail generation, etc.). Its solution has more than 4,000 users. It is perfectly compatible with *Cegedim Santé*'s solutions and their combined offering is one of the market's most comprehensive. Kobus was initially consolidated on June 30, 2021.

Acquisition of Médimust in France

On May 4, 2021, *Cegedim* acquired *Médimust*, a software publisher serving healthcare professions for 25 years that currently supplies 2,000 independent physicians. The acquisition cements *Cegedim Santé* place as France's number 1 medical software company⁽¹⁾. Pooling the companies' know-how and expertise is strengthening *Cegedim Santé*'s range of solutions and improving its ability to adapt to market developments and healthcare professionals' changing needs.

Médimust generated revenues of €1.3 million in 2020 and earned a profit. It began contributing to the Group's consolidation scope in May 2021.

(1) Source: GIE SESAM-Vitale

2.2 | H1 2021 business review

Operational performance

€251.2 m

Revenue

S1 2020: €236.2 m

S1 2019: €245.8 m

+ 6.3 %Growth rate⁽²⁾
reported**+ 6.2 %**Growth rate⁽²⁾
LFL⁽¹⁾**€10.7m**Recurring
operating
income⁽¹⁾ (REBIT)⁽¹⁾

S1 2020: €6.3 m€

S1 2019: €12.6 m€

+70.4 %Growth rate⁽¹⁾**4.3 %**REBIT⁽¹⁾ margin
REBIT⁽¹⁾ on Group
consolidated revenues

S1 2020: 2.7 %

S1 2019: 5.1 %

+161 bpsGrowth rate⁽²⁾**0.5 €**

EPS

S1 2020: (0.3)€

S1 2019: (0.7)€

n.m.Growth rate⁽²⁾

Consolidated P&L

In € million	06/30/2021	06/30/2020	Variation %	06/30/2019
Revenue	251.2	236.2	+6.3 %	245.8
Purchase used	(13.0)	(12.0)	+8.0%	(15.3)
External expenses	(49.8)	(51.9)	(4.1)%	(55.7)
Payroll costs	(139.4)	(127.9)	+9.0%	(124.6)
Others operating income and expenses	(6.4)	(6.1)	+5.1%	(4.7)
EBITDA⁽¹⁾	42.6	38.2	+11.3%	45.5
EBITDA margin ⁽¹⁾	16.9 %	16.2%	+75 bps	18.5%
Amortization and depreciation	(31.8))	(31.9)	(0.4) %	(32.8)
Recurring operating income⁽¹⁾	10.7	6.3	+70.4%	12.6
Recurring operating margin ⁽¹⁾	4.3 %	2.7 %	+161 bps	5.1%
Other non-recurring operating income and expenses ⁽¹⁾	4.1	(6.2)	n.m.	(16.3)
Operating income	14.8	0.1	n.m.	(3.6)
Operating margin	5.9 %	0.1 %	585 bps	(1.5)%
Cost of net financial debt	(5.5)	(4.6)	+20.6%	(4.5)
Total taxes	(2.8)	(0.2)	n.m.	(2.1)
Profit (loss)	6.5	(4.6)	n.m.	(10.2)
Net profit attributable to owners of the parent	6.5	(4.7)	n.m.	(10.2)

(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.

2.2.1 | Comments on the consolidated P&L

Revenue
€251.2m

+6.3 %

Reported

+6.2 %

LFL⁽¹⁾

Growth rate

In € million	
Consolidated Group revenue at 12/31/2019	236.2
Impact of disposals	(0.1)
Currency impacts	+0.1
Revenue excl. impacts at 31/12/2019	236.2
Impact of acquisitions	+ 0.3
Software & Services contribution	+ 6.2
Flow contribution	+ 3.3
Data & Marketing contribution	+ 6.3
BPO contribution	(1.0)
Corporate and others contribution	(0.2)
Consolidated Group revenue at 12/31/2020	251.2

Revenue increased by €15.0 million or 6.3%, to €251.2 million in H1 2021 compared to €236.2 million in H1 2020. Currencies and acquisitions and divestments had virtually no impact. Like-for-like⁽¹⁾ revenue increased 6.2% over the period.

Revenue growth
rate by division

In € million	H1 2021	H1 2020	Change LFL	Change reported
Software & Services	140.2	133.7	+4.6 %	+4.9 %
Flow	41.7	38.4	+8.7 %	+8.7 %
Data & Marketing	44.8	38.4	+16.5 %	+16.4 %
BPO	22.9	23.9	(4.3) %	(4.3) %
Corporate and others	1.5	1.7	(12.6) %	(12.6) %
Cegedim	251.2	236.2	+6.2 %	+6.3 %

The *Software & Services*, *Flow* and *Data & Marketing* division positively contributed to the like-for like growth by growing respectively by 4.6%, 8.7% and 16.5% in 2020.

The *BPO* and *Corporate and others*, division contributed negatively to the Like-for-like growth by growing respectively by 4.3% and 12.6%.

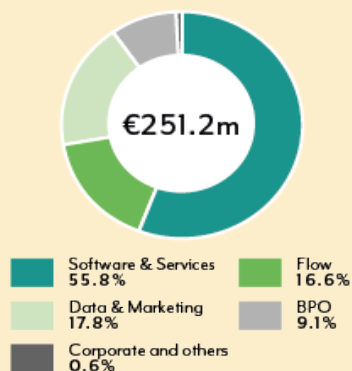
(1) See Chapter 4 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

Revenue
breakdown

Breakdown by division

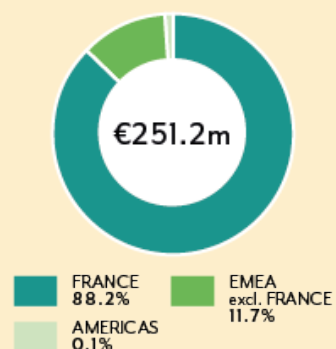
Changes in the contributions were as follows:

- The *Software & Services* division decreased by 0.8 points to 55.8%⁽¹⁾.
- The *Flow* division increased by 0.4 point to 16.6%.
- The *Data & marketing* increased by 1.5 points to 17.8%.
- The *BPO* division decreased by 1.0 point to 9.1%.
- The *Corporate and others* division remained relatively stable at 0.6%.

Breakdown by geographic
region

The relative contribution of:

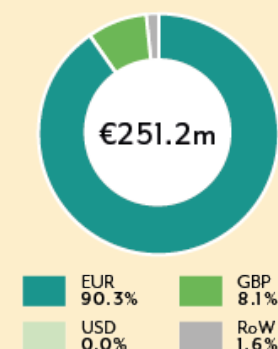
- France climbed by 2.5 points to 88.2%.
- EMEA excluding France fell by 2.4 points to 11.7%.
- The Americas remained relatively stable at 0.1%.



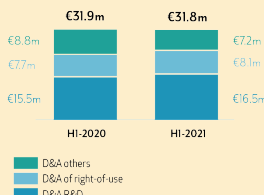
Breakdown by currency

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

- The Euro climbed by 2.5 points to 90.3%.
- The British pound fell by 2.4 points to 8.1%.
- The other currencies remained relatively stable at 1.6%.



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

Purchases used €13.0m	As % of revenues 5.2% in H1 2021 5.1% in H1 2020															
External expenses €49.8m	As % of revenues 19.8% in H1 2021 22.0% in H1 2020															
Payroll costs ¹ €139.4m	As % of revenues 55.5% in H1 2021 54.1% in H1 2020															
Depreciation and amortization expenses €31.8m	 <table><thead><tr><th></th><th>H1-2020</th><th>H1-2021</th></tr></thead><tbody><tr><td>D&A R&D</td><td>€15.5m</td><td>€16.5m</td></tr><tr><td>D&A of right-of-use</td><td>€7.7m</td><td>€7.2m</td></tr><tr><td>D&A others</td><td>€8.8m</td><td>€8.1m</td></tr><tr><td>Total</td><td>€31.9m</td><td>€31.8m</td></tr></tbody></table>		H1-2020	H1-2021	D&A R&D	€15.5m	€16.5m	D&A of right-of-use	€7.7m	€7.2m	D&A others	€8.8m	€8.1m	Total	€31.9m	€31.8m
	H1-2020	H1-2021														
D&A R&D	€15.5m	€16.5m														
D&A of right-of-use	€7.7m	€7.2m														
D&A others	€8.8m	€8.1m														
Total	€31.9m	€31.8m														

Purchases used increased by €1.0 million, or 8.0 %, to €13.0 million in H1 2021 compared to €12.0 million in H1 2020. Purchases used represented 5.2% of revenue in H1 2021, compared with 5.1% in H1 2020. This increase is the result of business growth partly offset by the effects of the Covid-19 pandemic and lockdowns in Europe.

External expenses decreased by €2.1 million, or 4.1%, to €49.8 million in H1 2021, compared with €51.9 million in H1 2020. External expenses represented 19.8% of revenue in H1 2021, compared with 22.0% in H1 2020. This decrease resulted chiefly from a drop in the cost of travel and outsourcing owing to the Covid-19 pandemic and lockdowns in Europe. Lastly, we focused specifically on nonessential overhead costs.

Payroll costs increased by €11.5 million, or 9.0%, to €139.4 million in H1 2021, compared to €127.9 million in H1 2020. Payroll costs represented 55.5% of revenue in H1 2021, compared to 54.1% in H1 2020. Most hires were related to the development of *Maiia* (formerly *Docavenue*), offshore R&D centers, and BPO offering.

Depreciation and amortization expenses were virtually flat at €31.8 million in the first half of 2021 vs. €31.9 million a year earlier. Depreciation and amortization expenses related to leases (IFRS 16) were virtually flat at €8.1 million in the first half of 2021 vs. €7.7 million a year earlier. R&D amortization rose by €1.0 million, or 6.6%, to €16.5 million in the first half of 2021 compared with €15.5 million in the first half of 2020. Other depreciation and amortization expenses fell by €1.5 million to €7.2 million compared with €8.8 million a year earlier.

Operating income
€14.8m

As % of revenues

5.9% in H1 2021

0.1 % in H1 2020

Operating income rose by €14.7 million to €14.8 million in the first half of 2021 compared with €0.1 million in H1 2020. That figure represents 5.9% of revenue at June 30, 2021, compared with 0.1% at June 30, 2020. These 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⁾
+ €4.1m

Breakdown by type

In € million	06/30/2021	06/30/2020
Provisions et dépréciations	-	(5.0)
Restructuring costs	(0.5)	(0.8)
Sale of activity	-	-
Other non-recurring income and expenses	+4.6	(0.4)
Other non-recurring operating income and expenses ⁽¹⁾	+4.1	(6.2)

Breakdown by division

In € million	06/30/2021	06/30/2020
Software & Services	(0.2)	(4.9)
Flow	(0.2)	-
Data & Marketing	-	-
BPO	-	-
Corporate and others	+4.5	(1.2)
Other non-recurring operating income and expenses ⁽¹⁾	+4.1	(6.2)

Other non-recurring operating income and expenses⁽¹⁾ amounted to an income of €4.1 million in the first half of 2021 compared with an expense of €6.2 million expense in the first half of 2020. The H1 2021 performance is partly the result of a €4.7 million payment made by a client as part of the early termination of a services contract that was originally supposed to run through 2027. The H1 2020 level was largely attributable to €4.3 million of impairment for certain intangible assets of the UK doctor software business stemming from previous acquisitions.

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

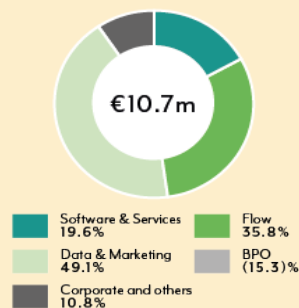
Recurring operating income ⁽¹⁾
€10.7m

As % of revenues

4.3 % in H1 2021

2.7 % in H1 2020

Breakdown by division



The *Software & Services*, *Flow*, *Data & Marketing* and *Corporate and Others* division generated respectively 19.6%; 35.8%; 49.1% and 10.8% of recurring operating income ⁽¹⁾ in 2020. The *BPO* and division contributed respectively an operating loss equivalent to 15.3%.

(See Financial comments per division).

Recurring operating income⁽¹⁾ rose by €4.4 million, or 70.4%, to €10.7 million in the first half of 2021 compared with €6.3 million in H1 2020. That figure represents 4.3% of revenue at June 30, 2021, compared with 2.7% at June 30, 2020. This increase results from a €14.7 million increase in operating income and from the recognition of €4.1 million of non-current operating income ⁽¹⁾ at June 30, 2021, against a non-current operating expense ⁽¹⁾ of €6.2 million at June 30, 2020. This performance was mainly driven by an improved *Data & Marketing* division performance.

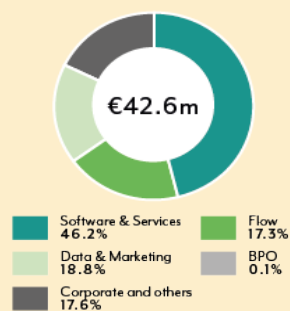
EBITDA ⁽¹⁾
€42.6m

As % of revenues⁽¹⁾

16.9 % in H1 2021

16.2 % in H1 2020

Breakdown by division



The *Softwares & Services*, *Flow*, *Data & Marketing*, *BPO* and *Corporate and Others* division contributed respectively 46.2%; 17.3%; 18.8%; 0.1% and 17.6% of consolidated EBITDA ⁽¹⁾ in 2021.

(See Financial comments per division).

EBITDA⁽¹⁾ increased by €4.3 million, or 11.3, to €42.6 million in H1 2021, compared with €38.2 million in H1 2020. EBITDA represented 16.9% of consolidated revenue in H1 2020, compared with 16.2% in H1 2020. This increase in EBITDA ⁽¹⁾ was due to the 4.4 million increase in recurring operating income ⁽¹⁾, and to the €0.1 million decrease in amortization and depreciation expenses.

Cost of net financial debt
€5.5m

Cost of net financial debt grew by €0.9 million, or 20.6%, to €5.5 million in the first half of 2021, compared with €4.6 million in H1 2020. The main reason for the increase was exchange rate impacts related to the pound sterling. We note that the cost of gross financial debt is stable year on year because the vast majority of debt is at fixed interest rates.

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

Tax expenses
€2.8m

Tax expenses increased by €2.6 million to €2.8 million in the first half of 2021 compared with €0.2 million expenses in the first half of 2020. This increase is due to higher taxes owed on French company profits.

Consolidated net
profit
€6.5m

Consolidated net profit came to €6.5 million compared with a loss of €4.6 million in the first half of 2020. This €11.1 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
€6.5m

After taking into account minority interests, the **consolidated net profit attributable to the Group** amounted to €6.5 million in H1 2021, compared with a loss of €4.7 million in H1 2020.

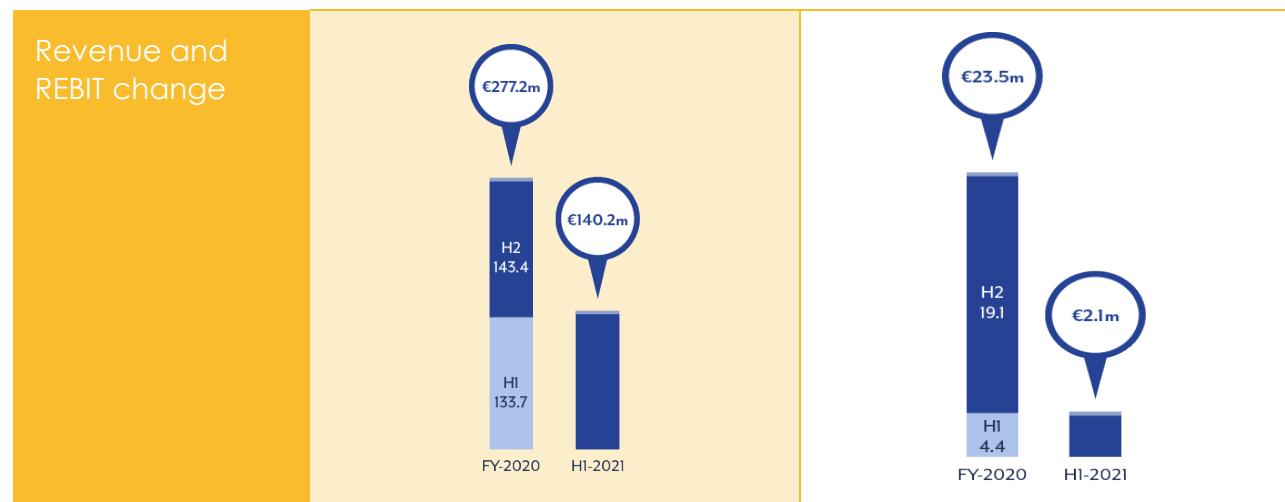
Earnings per share came to €0.5 in H1 2021 compared with a loss of €0.3 a year earlier. The **recurring earnings per share** came to €0.4 in H1 2021 compared to a loss of €0.2 a year earlier.



2.2.1.1 | Software & Services division

€140.2 m Revenue S1 2020: €133.7 m	+4.9 % reported ⁽²⁾ +4.6% Like-for like ⁽¹⁾ Growth rate
€2.1 m Recurring operating income (REBIT) ⁽¹⁾ S1 2020: €4.4m	(52.0)% Growth rate ⁽²⁾
1.5% REBIT ⁽¹⁾ margin S1 2020: 3.3%	(178) bps Change ⁽²⁾
55.8 % % of Group consolidated revenue	2,679 Workforce

In € million	06/30/2021	06/30/2020	Change %	12/31/2020
Revenue	140.2	133.7	(4.9)%	277.2
EBITDA ⁽¹⁾	19.7	21.8	(9.8)%	58.5
EBITDA margin ⁽¹⁾	14.0%	16.3%	(229) bps	21.1%
Depreciation	(17.6)	(17.4)	+0.8%	(35.0)
Recurring operating income⁽¹⁾	2.1	4.4	(52.0)%	23.5
Recurring operating margin ⁽¹⁾	1.5%	3.3%	(178) bps	8.5%
Other non-recurring operating income and expenses ⁽¹⁾	(0.2)	(4.9)	n.s.	(17.1)
Operating income	1.9	(0.5)	n.s.	6.4
Operating margin	+1.3%	(0.4)%	+175 bps	+2.3%



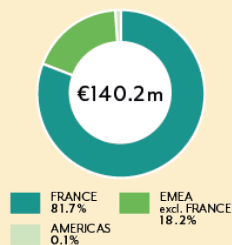
(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

(2) Compared with the same period a year ago.

Revenue
€140.2 m

Growth rate
+4.9%
reported
+4.6%
Like-for-like

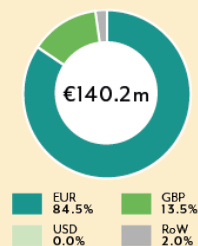
Breakdown by geographic region



By geographic region, the contribution of

- France climbed by 3.8 point to 81.7 % ;
- EMEA (excluding France) fell by 3.7 point to 18.2 %
- The Americas was stable at 0.1%.

Breakdown by currency



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

- The euro's contribution climbed by 3.8 point to 84.5 % ;
- The British pound's fell by 3.8 point to 13.5 % ;
- Other currencies were stable at 2.0 %.

Revenue increased by €6.5 million, or 4.9%, to €140.2 million in H1 2021, compared with €133.7 million in H1 2020..

The €0.2 million positive impact from scope effects, or 0.2%, was chiefly due to the acquisitions of Médimust and Kobus Tech in May 2021.

The favorable currency translation impact of €0.1 million, or 0.1% was mainly attributable to appreciation of the euro against the pound sterling, which represents 13.5% of Division revenues,

Like-for-like⁽¹⁾ revenues climbed by 4.6%.

The growth came chiefly from a resurgence of project-based business, particularly in health insurance, following a pause of several months. The Group's allied health professional computerization business in France and its appointment scheduling, remote health, and HR management solutions were particularly dynamic in the second quarter.

Recurring operating income⁽¹⁾
€2.1 m

Margin⁽¹⁾
1.5% in H1 2021
3.3 % in H1 2020

Recurring operating income⁽¹⁾ decreased by €2.3 million, or 52.0%, to €2.1 million in H1 2021, compared with €4.4 million in H1 2020. It represented 1.5% of consolidated revenue at June 2021, compared with 3.3% at June 2020. Recurring operating income⁽¹⁾ was hurt by increased hiring for sales teams assigned to Cegedim Santé's latest offerings and for innovation-focused development teams that do not meet the criteria for capitalized costs. However, businesses catering to health insurance, HR management, and pharmacy computerization in France made positive contributions to recurring operating income⁽¹⁾.

(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators

<p>Depreciation and amortization</p> <p>€17.6 m</p>	<p>Growth</p> <p>+0.8 %</p>	<p>Depreciation and amortization expenses were virtually flat at €17.6 million in the first half of 2021 vs. €17.4 million a year earlier. This stability was chiefly attributable to:</p> <ul style="list-style-type: none"> - The €0.7 million increase in the amortization of capitalized R&D expenses over the period, which amounted to €12.4 million at June 30, 2021, compared with €11.7 million at June 30, 2020. - Virtually no change in IFRS 16 amortization, at €3.2 million at June 30, 2021, compared with €3.3 million at June 30, 2020. - The €0.5 million decline in provisions for depreciation and amortization to €2.0 million vs €2.5 million a year earlier.
<p>Other recurring operating income and expenses ⁽¹⁾</p> <p>€0.2m</p>	<p>Growth</p> <p>(95.7) %</p>	<p>Other non-recurring operating income and expenses⁽¹⁾ decreased by €4.7million to €0.2 million expenses in H1 2021 compared with €4.9 million expenses in H1 2020. The June 2020 figure is largely attributable to a €4.3 million impairments taken on certain software notably on products for doctors in the</p>

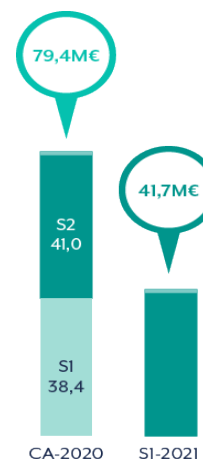
(1) See Chapter 3 « Condensed consolidated interim financial statements », Section 3.6, Note 2 on Alternative performance indicators

2.2.1.2 | Flow division



€41.7m Revenue S1 2020: €38.4m	+8.7 % Reported +8.7 % like-for-like ⁽²⁾ Growth rate ⁽¹⁾
€3.8m Recurring operating income (REBIT) ⁽¹⁾ S1 2020: €3.7 m	+4.0% Growth rate ⁽²⁾
9.2% REBIT ⁽¹⁾ margin S1 2020: 9.6%	(42) bps Change ⁽²⁾
16.6 % % of Group consolidated revenue	391 Employees

In € million	06/30/2021	06/30/2020	Change %	12/31/2020
Revenue	41.7	38.3	+8.7%	79.4
EBITDA ⁽¹⁾	7.4	7.6	(3.3)%	17.6
EBITDA margin ⁽¹⁾	17.7%	19.8%	(219) bps	22.1%
Depreciation	(3.5)	(3.9)	(10.1)%	(7.2)
Recurring operating income⁽¹⁾	3.8	3.7	+4.0%	10.4
Recurring operating margin ⁽¹⁾	9.2%	9.6%	(42) bps	13.0%
Other non-recurring operating income and expenses ⁽¹⁾	(0.2)	0.0	n.m.	(0.5)
Operating income	3.6	3.7	(2.0)%	9.9
Operating margin	8.7%	9.6%	(95) bps	12.4%

Revenue and REBIT⁽¹⁾ change

(1) See Chapter 3 "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.

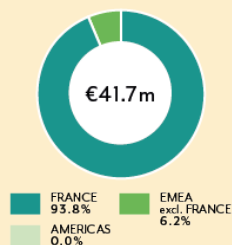
Revenue
€41.7 m

Growth rate

+8.7% reported

+8.7% Like-for-like⁽¹⁾

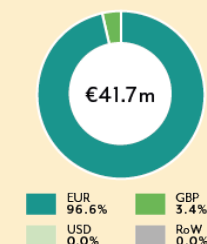
Breakdown by geographic region



By geographic region, the contribution of:

- France climbed by 1.0 point to 93.8 % ;
- EMEA (excluding France) fell by 1.0 point to 6.2 %.

Breakdown by currency



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

- Euro climbed by 0.9 point to 96.6 % ;
- The British pound's fell by 0.9 point to 3.4%.

Revenue from **Flow division** increased by €3.4 million, or 8.7%, to €41.7 million in H1 2021, compared to €38.4 million in H1 2020.

Acquisitions and divestments had virtually no impact. Currencies had almost no impact on H1 2020 figures. Like-for-like⁽¹⁾ revenues increased by 8.7% over the period.

Process digitalization had a strong quarter across all sectors. After people in France reduced their use of the healthcare system early in the year because of public health restrictions, healthcare flow business increased in the second quarter.

Recurring operating income⁽¹⁾
€3.8m

Margin⁽¹⁾

9.2 % in H1 2021

9.6 % in H1 2020

Recurring operating income⁽¹⁾ was virtually flat at €3.8 million in H1 2021 vs. €3.7 million in H1 2020. It represented 9.2% of consolidated revenue at June 2021, compared with 9.6% at June 2020.

The Group has made a strong start to restoring its recurring operating income. The full impact will be felt as healthcare flows return and we start seeing recurring flows related to new projects in the second half.

Depreciation and amortization expenses
€3.5m

Growth

(10.1) %

Depreciation and amortization expenses decreased by €0.4 million, or 10.1% to €3.5 million in H1 2021, compared with €3.9 million in H1 2020.

This decreased chiefly reflects:

- the relative stability of R&D amortization which amounted to €2.3 million in H1 2021 compared with €2.2 million in H1 2020 and of IFRS 16 amortization which amounted to €0.7 million in H1 2021 compared with €0.6million in H1 2020;
- the decreased by €0.6 million in others amortization which amounted to €0.6 million in H1 2021 compared with €1.1 million in H1 2020.

(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

2.2.1.3 | Data & Marketing division

Data & Marketing



€44.8m Revenue H1 2020: €38.4m	+16.4 % Reported ⁽²⁾ +16.5 % Like-for-like ⁽²⁾ Growth rate ⁽¹⁾
€5.3m Recurring operating income (REBIT) ⁽¹⁾ H1 2020: €0.6 m	+747.2 % Growth rate ⁽²⁾
11.8 % REBIT ⁽¹⁾ margin H1 2020: 1.6 %	+1 018 bps Change ⁽²⁾
17.8 % % of Group consolidated revenue	349 Employees

In € million	06/30/2021	06/30/2020	Change %	12/31/2020
Revenue	44.8	38.4	+16.4%	87.8
EBITDA ⁽¹⁾	8.0	3.6	+122.8%	17.3
EBITDA margin ⁽¹³⁾	17.8%	9.3%	+852 bps	19.7%
Depreciation	(2.7)	(3.0)	(8.6)%	(5.9)
Recurring operating income⁽¹⁾	5.3	0.6	+747.2%	11.4
Recurring operating margin ⁽¹⁾	11.8%	1.6%	+1 018 bps	13.0%
Other non-recurring operating income and expenses ⁽¹³⁾	0.0	0.0	-	(0.1)
Operating income	5.3	0.6	+1 747.2%	11.3
Operating margin	11.8%	1.6%	+1 018 bps	12.9%

Revenue and REBIT⁽¹⁾ change

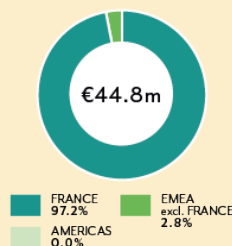
(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

(2) Compared with the same period a year ago.

Revenue
€44.8m

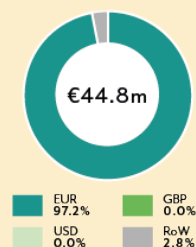
Growth rate
16.4 %
reported
16.5 %
Like-for-like⁽¹⁾

Breakdown by geographic region



By geographic region, the contribution of:
France climbed by 0.5 point to 97.2 % ;
IMEA (excluding France) fell by 0.5 point to 2.8 %.

Breakdown by currency



By currency, the breakdown has changed only marginally since the previous year:
Euro climbed by 0.5 point to 97.2% whereas other currencies fell by 0.5 point to 2.8%.

Revenue from **Data & Marketing** increased by €6.3 million, or 16.4%, to €44.8 million in H1 2021, compared to €38.4 million in H1 2020.

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

Like-for-like⁽²⁴⁾ revenues climbed 16.5% over the period.

Data activities experienced strong growth against the backdrop of the pandemic. Advertising in French pharmacies was again close to its pre-pandemic level.

Recurring operating income⁽¹⁾
€5.3m

Margin⁽¹⁾
11.8 % in H1 2021
1.6 % in H1 2020

Recurring operating income⁽¹⁾ increased by €4.7 million, or 747.2%, to €5.3 million in H1 2021, compared with €0.6 million in H1 2020. It represented 11.8% of consolidated revenue at June 2021, compared with 1.6% at June 2020.

Data activities experienced strong growth against the backdrop of the pandemic. Digital advertising in French pharmacies was back close to its pre-pandemic level, which was very positive for recurring operating income⁽¹⁾.

Depreciation and amortization expenses
€2.7m

Growth rate
(8.6) %

Depreciation and amortization expenses decreased by €0.3 million, or 8.6% to €2.7 million in H1 2021, compared with €0.6 million in H1 2020. This decreased chiefly reflects:

- the relative stability of R&D amortization which amounted to €0.5 million in H1 2021 compared with €0.4 million in H1 2020 and of IFRS 16 amortization which amounted to €0.5 million in H1 2021 and in H1 2020;
- the decreased by €0.4 million in others amortization which amounted to €1.7 million in H1 2021 compared with €2.1 million in H1 2020.

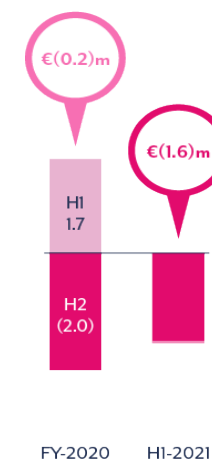
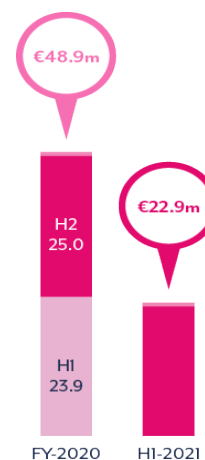
(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

2.2.1.4 | BPO division



€22.9m Revenue H1 2020: €23.9m€	Growth rate ⁽²⁾ (4.3) % reported (4.3) % Like-for-like ⁽¹⁾
€(1.6)m Recurring operating income (REBIT) ⁽¹⁾ H1 2020: €(2.0)m	(15.8) % Growth rate ⁽²⁾
(7.2) % REBIT ⁽¹⁾ margin H1 2020: (8.2)%	98 bps Growth rate ⁽²⁾
9.1 % % of Group consolidated revenue	517 Employees

In € million	06/30/2021	06/30/2020	Variation %	12/31/2020
Revenue	22,9	23,9	-4,3%	48,9
EBITDA ⁽¹⁾	0,1	0,2	-122,1%	3,1
EBITDA margin ⁽¹⁾	0,2%	-1,0%	+119 bps	6,4%
Depreciation	-1,7	-1,7	+1,5%	-3,3
Recurring operating income⁽¹⁾	-1,6	-2,0	-15,8%	-0,2
Recurring operating margin ⁽¹⁾	-7,2%	-8,2%	+98 bps	-0,5%
Other non-recurring operating income and expenses ⁽¹⁾	0,0	0,0	-	0,0
Operating income	-1,6	-2,0	15,8%	-0,3
Operating margin	-7,2%	-8,2%	+982 bps	-0,6

Revenue and REBIT⁽¹⁾ change

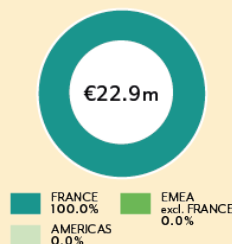
(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

(2) Compared with the same period a year ago.

Revenue
€22.9m

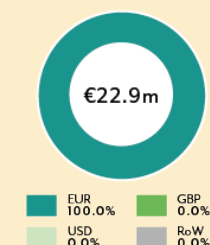
Growth rate
(4.3)%
reported
(4.3)%
Like-for-like⁽¹⁾

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 decreased by €1.0 million, or 4.3%, to €22.9 million in H1 2021, compared to €23.9 million in H1 2020. There were no divestments or acquisitions and there was no impact from foreign currency translation. Like-for-like⁽¹⁾ revenues fell by 4.3% over the period. A significant portion of this division's business is providing services for insurance companies and mutual insurance providers, so it took a hit from public health restrictions that caused people in France reduce their use of the healthcare system.

Recurring operating income⁽¹⁾
€(1.6)m

margin⁽¹⁾
(7.2) % in H1 2021
(8.2) % in H1 2020

Recurring operating income⁽¹⁾ reduced its losses by €0.3 million to a loss of €1.6 million in H1 2021, compared with a loss of €2.0 million in H1 2020. A significant portion of this division's business is providing services for insurance companies and mutual insurance providers, so it took a hit from public health restrictions that caused people in France reduce their use of the healthcare system. However, it was able to make process improvements that reduced the impact on recurring operating income⁽¹⁾.

Depreciation and amortization expenses
€1.7m

Growth rate
(1.5)%

Depreciation and amortization expenses were virtually flat at €1.7 million in the first half of 2021 and 2020.

(1) See Chapter 3 "Consolidated financial statements", Section 4.6, Note 2 on Alternative performance indicators and Note 6 "Segment reporting".

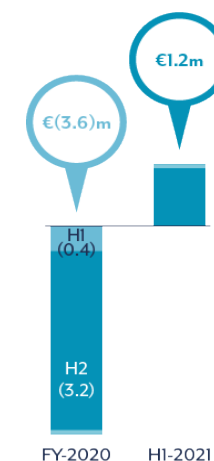
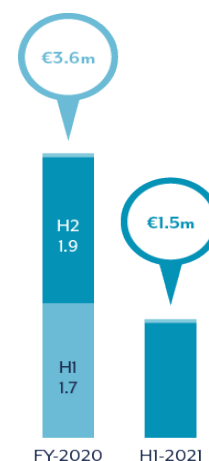
2.2.1.5 | Corporates and others

Corporate and Others

€1.5m Revenue H1 2020: €1.7m	Growth rate ⁽²⁾ (12.6) % Reported (12.6) % Like-for-like ⁽¹⁾
€1.2m Recurring operating income (REBIT) ⁽¹⁾ H1 2020: €(0.4)m	n.m. Growth rate ⁽²⁾
n.m. REBIT margin ⁽¹⁾ H1 2020: n.m	n.m. Growth rate ⁽²⁾
0.6 % % of Group consolidated revenue	1,588 Employees
€4.5m Other recurring operating income and expenses ⁽¹⁾	n.m. Growth rate

In € million	06/30/2021	06/30/2020	Variation %	12/31/2020
Revenue	1.5	1.7	(12.6)%	3.6
EBITDA ⁽¹⁾	7.5	5.5	+37.1%	7.5
EBITDA margin ⁽¹⁾	n.m.	n.m.	n.m.	n.m.
Recurring operating income	(6.3)	(5.9)	+7.1%	(11.1)
Recurring operating income⁽¹⁾	1.2	(0.4)	n.m.	(3.6)
Recurring operating margin ⁽¹⁾	n.m.	n.m.	n.m.	n.m.
Other non-recurring operating income and expenses ⁽¹⁾	4.5	(1.2)	n.m.	(2.2)
Operating income	5.7	(1.7)	n.m.	(5.8)
Operating margin	n.m.	n.m.	n.m.	n.m.

Revenue change

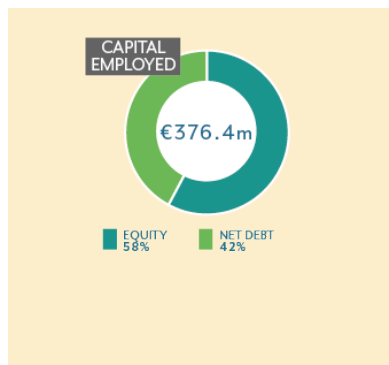
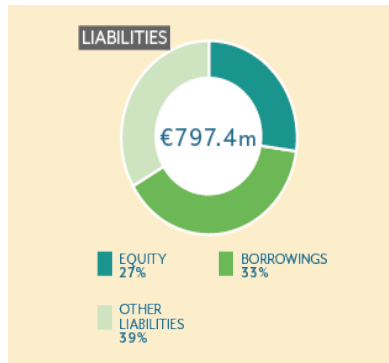
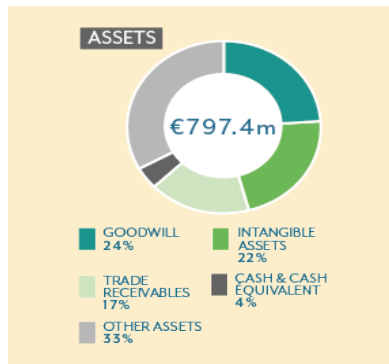


Other non-recurring operating income and expenses⁽¹⁾ amounted to €4.5 million of income in the first half of 2021 compared with a €1.2 million expense in the first half of 2020. The H1 2021 performance is partly the result of a €4.7 million payment made by a client as part of the early termination of a services contract that was originally supposed to run through 2027.

(1) See Chapter 3 "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.

2.2.2 | Financial structure as of June 30, 2021



In € million	Note	06/30/21	12/31/2020	Change %
Asset				
Goodwill		193.3	186.0	+3.9%
Intangible fixed assets		171.7	163.0	+5.3%
Tangible assets	a	109.3	110.3	(0.9)%
Financial assets	b	21.5	20.5	+4.6%
Other non-current assets	c	53.9	55.0	(1.9)%
Total non-current assets		549.7	534.9	+2.8%
Trade receivables – short-term portion		136.7	134.7	+1.5%
Cash & cash equivalents		32.9	24.7	+33.2%
Other current assets	d	78.1	211.1	(63.0)%
Total current assets		247.7	370.5	33.1%
Total assets		797.4	905.4	(11.9)%
Liabilities		06/30/2021	12/31/2020	Variation %
Long-term financial debt	e	186.5	186.3	+0.1%
Other non-current liabilities	f	105.8	107.9	(2.1)%
Total non-current liabilities		292.1	294.1	+0.7%
Short-term financial debt	e	6.0	2.6	+129.6%
Other current liabilities	d & g	282.5	400.7	(29.5)%
Total current liabilities		288.5	403.3	(28.5)%
Total liabilities		580.5	697.5	(16.8)%
Shareholders' equity	h	216.9	207.9	+4.3%
Total liabilities and shareholders' equity		797.4	905.4	(11.9)%

a) Including €71.8 million of right-of-use assets at June 30, 2021 and €75.6 million at December 31, 2020.

b) Excluding equity shares in equity method companies.

c) Including deferred tax assets of €33.2 million at June 30, 2021, and €33.2 million at December 31, 2020.

d) Including the advances paid by clients at the health Insurance BPO business for €39 millions at June 30, 2021 and €171 millions at December 31, 2020.2019.

e) Long-term and short-term liabilities include liabilities under our employee profit-sharing plans in the total amount of €7.6 million at June 30, 2021, and €7.2 million at December 31, 2020.

f) Including the IFRS 16 liabilities of €58.6 million at June 30, 2021 and €62.3 million at December 31, 2020.

g) Including "tax and social liabilities" of €115.9 million at June 30, 2021 and €108.7 million at December 31, 2020. 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 €15.0 million at June 30, 2021 and €15.2 million at December 31, 2020.

h) Including minority interests of €0.3 million at June 30, 2021, and €0.2 million at December 31, 2020.

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

Consolidated
total balance
sheet
€797.4m

The consolidated total balance sheet amounted to €797.4 million at June 30, 2021, a €107.9 million or 11.9% decrease over December 31, 2020. The decline is basically due to a €139.6 million drop in other current receivables and other current liabilities related to BPO activities performed for supplemental health insurers and mutual health insurance companies. Starting in 2021, the management reports supplied by the main delegating companies include a clearing of receivables and liabilities as the advances used to finance the services provided to beneficiaries are used. Thus, the Group can now enter these cleared positions into its financial statements.

Goodwill
€193.3m

Goodwill amounted to €193.3 million at June 30, 2021, compared with €186.0 million at December 31, 2020. The €7.3 million increase, or 3.9%, was due to a €5.6 million impact from acquisitions made in the first half of 2021 and a €1.7 million currency impact. Acquisition goodwill represented nearly 24.2% of the total balance sheet at June 30, 2021, compared with 20.5% at December 31, 2020.

Intangible assets
€171.7m

Intangible fixed assets rose €8.7 million in net value, or 5.3%, to €171.7 million at June 30, 2021, compared with €163.0 million at December 31, 2020. This principally reflects the €23.5 million increase in capitalization of development costs over the period and the currency positive impact of €1.9 million partly offset by the €16.5 million of R&D amortization over the period. Intangible fixed assets' share of the total balance sheet was 21.5% at June 30, 2021, compared with 18.0% at December 31, 2020.

Tangible assets
€109.3m

Tangible assets were virtually flat at €109.3 million at June 30, 2021 vs. €110.3 at December 31, 2020. This principally reflects the €3.8 million decrease of right-of-use assets (IFRS 16) that amounted to €71.8 million as of June 30, 2021, compared to €75.6 million at December 31, 2020 partly offset by a €3.0 million increase in others tangible assets. Tangible assets represented 13.7% of total assets at June 30, 2021 compared with 12.2% at December 31, 2020.

Trade receivables
€136.7m

Trade receivables increased €2.0 million, or 1.5%, to €136.7 million at end-June 30, 2021 compared with €134.7 million at end-December 2020. Virtually all trade receivables have maturities of less than one year. These items represented 17.1% of the total balance sheet at June 30, 2021 compared with 14.9% at December 31, 2020.

Shareholders'
equity
€216.9m



Equity increased by €9.0 million, or 4.3%, to €216.9 million at June 30, 2021, compared with €207.9 million at December 31, 2020. The change mainly reflects the €10.8 million increase in Group reserves and for €2.5 million in translation reserves partially offset by a €4.4 million decrease in Group earnings. Equity represented 27.2% of total assets at June 30, 2021, compared with 23.0% at December 31, 2020.

2.2.2.2 | Comments on net financial debt as of June 30, 2021

Net financial debt ⁽¹⁾

In € million	Note	06/30/2021	12/31/2020	Variation %
Long-term financial debt		186.5	186.3	+0.1%
Short-term financial debt		6.0	2.6	+129.6%
Gross debt		192.5	188.9	+1.9%
Cash & cash equivalents		32.9	24.7	+33.2%
Net financial debt excluding IFRS 16 debt⁽³³⁾		159.5	164.2	(2.8)%
IFRS 16 debt		73.6	77.6	(5.1)%
Net financial debt⁽³³⁾	f	233.2	241.7	(3.5)%
Equity	g	216.9	207.9	+4.3%
Gearing	h=f/g	1.1	1.2	-
EBITDA ⁽²⁷⁾ LTM	i	108.2	103.9	+4.2%
Leverage ratio	f/i	2.2	2.3	-

(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 June 30, 2021, 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 June 30, 2021.

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

€192.5m

Total financial liabilities increased by €3.6 million, or 1.9%, to €192.5 million at June 30, 2021, compared with €188.9 million at December 31, 2020. This rise was mainly due to the increased change in interest accrued on loans, at €2.4 million, and €1.0 million in debt consolidated from companies acquired in the first half of 2021.

- **Long-term financial liabilities** were relatively stable at 186.5 million at June 30, 2021 compared with €186.3 million at December 31, 2020. Long-term liabilities include liabilities under Cegedim's employee profit-sharing plans in the total amount of €6.2 million at a June 30, 2021, compared with €6.0 million at December 31, 2020.
- **Short-term debts** increased by €3.4 million, i.e. 129.6, to €6.0 million at June 30, 2021, compared with €2.6 million at December 31, 2020. Short-term liabilities include €1.4 million for the short-term portion of an employee profit-sharing plan at June 30, 2021, compared with €1.2 million at December 31, 2020.

Cash and equivalents

€32.9m

Cash and equivalents came to €32.9 million at a June 30, 2021, a €8.2 million increase compared to December 31, 2020. Cash and cash equivalents represented 4.1% of total assets at a June 30, 2021, compared with 2.7% at December 31, 2020.

Net financial debt ⁽¹⁾

€159.5m

Total net financial debt⁽¹⁾ amounted to €159.5million, down €4.6 million compared with six months ago. It represented 73.5% of shareholders' equity at June 30, 2021, compared with 79.0% at December 31, 220. Long- and short-term liabilities include €7.6 million for an employee profit-sharing plan, and €0.8 million of other debt at June 30, 2021.

Lease liabilities

€73.6 m€

The lease liabilities decreased by €3.9 million, or 5.1%, to €73.6 million at a June 30, 2021, compared to €77.6 million at December 31, 2020. €58.6 million are classified as long-term debt and €15.0 million, as the short-term portion. Therefore, total Group liabilities amounted to €233.2 million at June 30, 2021, compared to €241.7 million at December 31, 2020.

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 3 Point 3.6, Note17.2.

2.2.3 | Summarized consolidated cash flow statement as of June 30, 2021

Cash-flow statement

In € million	06/30/2021	06/30/2020
Cash flow from operating activities before tax paid and taxes	47.0	34.7
Tax paid	0.6	(2.1)
Change in working capital ⁽¹⁾	+9.0	+18.1
Free cash from (used in) operating activities	+56.6	+50.7
Net cash from (used in) investing activities	(38.4)	(34.7)
Net cash from (used in) financing activities	(10.2)	(18.7)
Total cash flows excluding currency impact	+8.1	(2.8)
Change due to exchange rate movements	+0.2	(0.2)
Change in cash	+8.2	(2.9)
Net cash at the beginning of the period	24.7	29.1
Net cash at the end of the period	32.9	26.1

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

Cash-flow libre opérationnel⁽¹⁾

In € million	06/30/2021	06/30/2020
Cash flow from operating activities before tax and interest	47.0	34.7
Change in working capital requirement	+9.0	+18.1
Corporate tax paid	+0.6	(2.1)
Net cash from operating activities	+56.6	+50.7
Acquisitions of intangible assets	(25.3)	(27.8)
Acquisitions of tangible assets	(7.9)	(5.0)
Disposal of intangible assets and tangible assets	0.0	+0.3
Free cash flow from operation⁽¹⁾	+23.4	+18.1

Total capital expenditures

In € million	06/30/2021	06/30/2020
Capitalized R&D	(23.5)	(25.6)
Maintenance capex	(9.8)	(9.1)
Total capital expenditures excluding acquisition / disposal and investment in discontinuing activities	(33.3)	(34.7)
Acquisition / disposal	(5.1)	0.0
Total capital expenditures	(38.4)	(34.7)
Consolidated Group revenue	251.2	236.2
Total capital expenditures excluding acquisition / disposal and investment in discontinuing activities to Revenue ratio	13.3%	14.7 %

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

2.2.3.1 | Comments on the cash flow statement as of June, 30 2021

Net cash flow from operating activities €56.6m	Cash flow generated from operating activities increased by €6.0 million to an inflow of €56.6 million at June 30, 2021, compared with an inflow of €50.7 million at June 30, 2020. This increase is chiefly attributable to an improvement in the Group's consolidated net profit, offset by a weaker working capital release.
Change in working capital +€9.0m	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. The change in working capital requirement amounted to a release of €9.0 million at June 30, 2021, compared with a release of €18.1 million at June 30, 2020. Delayed payment of social charges had a positive impact on WCR of €9 million.
Net cash flow used in investing activities €38.4m	Net cash flow used in investing activities increased by €3.7 million, to an outflow of €38.4 million at end-June 2021, compared with an outflow of €34.7 million at end-June 2020. The change in cash flow from investing activities is mostly due to the €5.1 million impact from change in acquisition /disposal and from the decrease in the capitalization of R&D.
Net cash flow used in financing activities €10.2m	Net cash flow used in financing activities decreased by €8.6 million, resulting in an outflow of €10.2 million at June 30, 2021, compared with an outflow of €18.7 million at June 30, 2020. This change is mainly due to a €10.2 million debt repayment on June 30, 2020.
Change in net cash +€8.2m	The change in net cash from operations, investment operations, and financing operations was an increase of €8.2 million at the end of June 2021, including a €0.2 million positive contribution from exchange rate movements.
Free cash flow from operations ⁽¹⁾ +€23.4m	Free cash flow from operations⁽¹⁾ amounted to a release of €23.4 million at end of June 2021, compared with a release of €18.1million at end of June 2020, a €5.3 million increase.

2.3 | 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).

2.3.1 | Financial investments

Acquisitions made in the first half of 2021

April 30, 2021: *Cegedim* acquired French start-up *Kobus Tech*, which specializes in patient management for physical therapists (patient care summaries, exercise prescription, mail generation, etc.). Its solution has more than 4,000 users. It is perfectly compatible with *Cegedim Santé*'s solutions and their combined offering is one of the market's most comprehensive. *Kobus* was initially consolidated on June 30, 2021.

May 4, 2021: *Cegedim* acquired *Médimust*, a software publisher serving healthcare professions for 25 years that currently supplies 2,000 independent physicians. The acquisition cements *Cegedim Santé* place as France's number 1 medical software company⁽²⁾. Pooling the companies' know-how and expertise is strengthening *Cegedim Santé*'s range of solutions and improving its ability to adapt to market developments and healthcare professionals' changing needs.

Médimust generated revenues of €1.3 million in 2020 and earned a profit. It began contributing to the Group's consolidation scope in May 2021.

No acquisitions were carried out between June 30, 2021 and this document's filing date.

2.3.2 | Operating investments

Capital expenditures excluding acquisitions / disposals
€33.3m

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. The R&D capitalized is excluded from payroll costs and external expenses. The remaining R&D costs are recorded as expenses for the period in which they were incurred.

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 June 30, 2021, **capital expenditures** decreased by €1.4 million, or 4.0%, to €33.3 million compared at June 30, 2021 with €34.7 million at June 30, 2020. The capital expenditures breakdown was as follows: €23.5 million of capitalized R&D at June 30, 2021 compared with €25.6 million at June 30, 2020, and €9.8 million in maintenance capex at June 30, 2021 compared with €9.1 million at June 30, 2020.

R&D effort relative to revenues ⁽¹⁾
14.7%

Payroll expenses for the R&D workforce represent around 14.7% 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.

2.4 | Related party transactions

Related party transactions

A description of transactions with related parties is available in Chapter 4, point 4.6, note 19 page 184, and page 331, in Chapter 9 of the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on April 16, 2021, under number D.21-0320. During the first six months of 2021, Cegedim identified no other significant related-party transactions.

2.5 | Main risks and uncertainties for the remaining six months of the year

Main risks and uncertainties

The main risks and uncertainties to which the Cegedim Group could be exposed in the second half of 2021 are described in chapter 7 "Risk management" of the 2020 Universal Registration Document.

2.6 | Events after June 30, 2020

To the best of the company's knowledge, no significant events occurred between June 30, 2021, and September 16, 2021, when the Board of Directors authorized the condensed consolidated interim financial statements for issue.

2.7 | Outlook

2021 outlook
disclosed on
March 27, 2021

For 2021, the Group expects like-for-like revenue growth of c.2% and recurring operating income⁽¹⁾ 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.

2021 outlook
disclosed on July
27, 2021

Revenues rebounded immediately after the first lockdown, so after a 2.5% like-for-like ⁽¹⁾ decrease in first half 2020, we saw like-for-like⁽¹⁾ growth of 2.1% in the second half of 2020. Considering this basis of comparison and H1 2021 growth of 6.2%, the Group is raising its target for like-for-like⁽¹⁾ revenue growth in 2021 from 2% previously to 3-5%.

This target may need to be revised if the Covid-19 crisis causes a severe tightening of public health restrictions in Europe after this press release is issued.

The Group will announce any changes to its outlook for recurring operating income⁽¹⁾ growth, currently 4%, when it releases its first half results on September 16, 2021.

The Group does not expect to make any significant acquisitions in 2021. And lastly, the group does not provide earnings estimates or forecasts.

2021 outlook
disclosed on
September 16,
2021

As noted on July 27, Cegedim expects like-for-like⁽¹⁾ revenue growth of 3% to 5%. Out of caution, considering the comparison basis with the second half of 2020, the Group reiterates its target for recurring operating income⁽¹⁾ of around 4%.

These targets may need to be revised if the Covid-19 crisis causes a severe tightening of public health restrictions in Europe after this press release is issued.

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 performance targets. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 7, "Risk management", section 7.2, "Risk factors and insurance", and Chapter 3, "Overview of the financial year", section 3.6, "Outlook", of the 2020 Universal Registration Document filled with the AMF on April 16, 2021 under number D.21-0320.



03

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL
REPORT**

3.1 | Consolidated balance sheet

Consolidated assets

In thousands of euros	Note	06/30/2021 net	12/31/2020 net
Goodwill on acquisition	10.1	193,314	186,036
Development costs		27,485	3,873
Other intangible fixed assets		144,190	159,144
Intangible fixed assets		171,675	163,017
Property		544	544
Buildings		2,204	2,319
Other tangible fixed assets		34,827	31,835
Right-of-use assets		71,763	75,607
Fixed assets in progress		2	0
Tangible fixed assets		109,341	110,305
Equity investments		1,182	1,182
Loans		14,618	14,618
Other long-term investments		5,667	4,730
Long-term investments – excluding equity shares in equity method companies		21,467	20,530
Equity shares in equity method companies	9.2	20,536	21,479
Deferred tax asset	14.1	33,187	33,202
Accounts receivable: long-term portion		0	0
Other receivables: long-term portion	7.5	0	0
Long-term financial instruments		0	44
Prepaid expenses: long-term portion		179	249
Non-current assets		549,700	534,862
Goods		5,184	3,814
Advances and deposits received on orders		17	501
Accounts receivable: short-term portion	7.4	136,669	134,650
Other receivables: short-term portion	7.5	54,130	193,690
Short-term financial instruments		0	1
Cash equivalents		0	0
Cash		32,939	24,734
Prepaid expenses: short-term portion		18,798	13,103
Current assets		247,737	370,493
Total Assets		797,437	905,355

Consolidated liabilities and shareholders' equity

In thousands of euros	Note	06/30/2021	12/31/2020
Share capital		13,337	13,337
Group reserves		199,310	188,524
Group exchange gains/losses		(2,492)	(5,040)
Group earnings		6,473	10,834
Shareholders' equity. Group share		216,629	207,655
Minority interests		275	247
Shareholders' equity		216,904	207,902
Long-term financial liabilities	11.1	186,475	186,278
Non-current lease liabilities		58,631	62,331
Long-term financial instruments		0	66
Deferred tax liabilities	14.1	7,766	7,599
Retirement commitments		36,887	35,281
Non-current provisions		2,307	2,575
Other non-current liabilities		0	0
Non-current liabilities		292,065	294,130
Short-term financial liabilities	11.1	5,983	2,606
Current lease liabilities		15,018	15,244
Short-term financial instruments		0	1
Accounts payable and related accounts		47,985	43,214
Tax and social liabilities		115,907	108,718
Provisions		2,021	3,045
Other current liabilities	7.6	101,554	230,495
Current liabilities		288,468	403,323
Total liabilities		797,437	905,355

3.2 | Consolidated income statements

In thousands of euros	Note	06.30.2021	06.30.2020
Revenue		251 158	236,199
Purchases used		(12,997)	(12,039)
External expenses		(49,787)	(51,909)
Taxes		(4,293)	(5,097)
Payroll costs	8.1	(139,400)	(127,901)
Impairment on accounts receivable and other receivables and on contract assets		(271)	(2,102)
Allocations to and reversals of provisions		(2,024)	(706)
Change in inventories of products in progress and finished products		0	0
Other operating income and expenses		65	146
Share of income of equity method companies		110	1,656
EBITDA⁽¹⁾		42,562	38,247
Depreciation expenses other than right-of-use assets		(23,742)	(24,259)
Depreciation expenses of right-of-use assets		(8,076)	(7,684)
Recurring operating incomes⁽¹⁾		10,744	6,305
Depreciation of goodwill			
Non-recurring income and expenses ⁽¹⁾		4,095	(6,167)
Other non-recurring operating income and expenses⁽¹⁾	7.2	4,095	(6,167)
Operating income		14,839	138
Income from cash and cash equivalents		52	35
Gross cost of financial debt		(4,160)	(4,266)
Other financial income and expenses		(1,399)	(335)
Cost of net financial debt	11.5	(5,507)	(4,566)
Income taxes		(3,055)	(516)
Deferred taxes		225	304
Total taxes	14.1	(2,830)	(212)
Share of profit (loss) for the period of equity method companies		(0)	0
Consolidated profit (loss) for the period		6,503	(4,640)
Consolidated net income (loss) attributable to owners of the parent	A	6,473	(4,667)
Income from of equity method companies		30	26
Average number of shares excluding treasury stock	B	13,824,493	13,826,606
Recurring earnings per share (in euros)		0.4	(0.2)
Earnings per share (in euros)	A/B	0.5	(0.3)
Diluted earning per share (in euros)		0.5	(0.3)

3.3 | Consolidated statement of comprehensive income

In thousands of euros	Note	06/30/2021	06/30/2020
Consolidated net profit (loss) for the period		6 503	(4,640)
Unrealized exchange gains / losses		2,549	(4,551)
Hedging of financial instruments			
Gross unrealized gains and losses		427	32
Tax impact		(121)	(9)
Other items that may not later be recycled to profit or loss		2,855	(4,528)
Restatement of net liabilities of defined-benefit schemes			
Gross gains and losses		0	0
Tax impact		0	5
Other items that may not later be recycled to profit or loss net		0	5
Total earnings		9,357	(9,163)
Share of profit (loss) for the period of equity method companies		30	26
Consolidated net income (loss) attributable to owners of the parent		9,328	(9,189)

3.4 | 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 01/01/2020	13,337	189,223	(1,480)	201,080	167	201,247
Profit (loss) for the period		10,835		10,835	81	10,916
Hedging of financial instruments		165	0	165	0	165
Exchange differences			(3,560)	(3,560)	0	(3,560)
Actuarial differences related to prov. for retirement		(107)	0	(107)	0	(107)
Total earnings for the period		10,893	(3,560)	7,333	81	7,414
Capital transactions		0	0	0	0	0
Securities transactions		215	0	215	0	215
Distribution of dividends ⁽¹⁾		0	0	0	(1)	(1)
Treasury shares		(980)		(980)	0	(980)
Total transactions with shareholders	0	(765)	0	(765)	(1)	(766)
Other transaction		7	0	7	0	7
Change in consolidated scope		0	0	0	0	0
Balance at 12/31/2020	13,337	199,358	(5,040)	207,655	247	207,902
Profit (loss) for the period		6,473	0	6,473	30	6,503
Hedging of financial instruments		306	0	306	0	306
Exchange differences		0	2,549	2,549	0	2,549
Actuarial differences related to prov. for retirement		0	0	0	0	0
Total earnings for the period		6,779	2,549	9,328	30	9,357
Capital transactions		0	0	0		0
Securities transactions		(78)		(78)	0	(78)
Distribution of dividends ⁽¹⁾		0	(0)	(0)	(1)	(2)
Treasury shares		(277)	0	(277)	0	(277)
Total transactions with shareholders		(355)	(0)	(355)	(1)	(357)
Other transaction		1	0	1	0	1
Change in consolidated scope		0	0	0	0	0
Balance at 06/30/2021	13,337	205,783	(2,492)	216,629	275	216,904

(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 2020 and 2021, except for the shares acquired under the free share award plan^N

3.5 | Consolidated statement of cash flows

In thousands of euros	Note	06/30/2021	12/31/2020	06/30/2020
Consolidated profit (loss) for the period		6 503	10 916	(4 641)
Share of earnings from equity method companies		(110)	(2 441)	(1 656)
Depreciation and amortization expenses and provisions		32 229	77 481	36 425
Elimination of revaluation profits / losses (fair value)		0	0	0
Capital gains or losses on disposals		(7)	1 641	(253)
Elimination of dividend income		0	0	0
Cash flow after cost of net financial debt and taxes		38 615	87 597	29 875
Cost of net financial debt		5 507	8 642	4 566
Tax expenses		2 830	1 966	212
Operating cash flow before cost of net financial debt and taxes		46 951	98 205	34 653
Tax paid		640	(6 337)	(2 140)
Impact of change in working capital requirements		9 048	18 513	18 138
Cash flow generated from operating activities after tax paid and change in working capital requirements	A	56 639	110 381	50 651
Acquisitions of intangible assets		(25 289)	(54 607)	(27 848)
Acquisitions of tangible assets		(7 942)	(19 920)	(5 009)
Acquisitions of long-term investments		(1 078)	(980)	(980)
Disposals of tangible and intangible assets		19	11 024	332
Disposals of long-term investments		801	40	27
Change in deposits received or paid (1)		55	(780)	(1 312)
Impact of changes in consolidation scope (2)		(5 098)	(7 124)	-
Dividends received		114	2 032	79
Other cash flows from investment activities		0	0	0
Net cash flow used in investing activities	B	(38 419)	(70 315)	(34 711)
Dividends paid to shareholders of the parent company		0	0	0
Dividends paid to minority shareholders of consolidated cos.		(1)	(1)	0
Capital increase		0	0	0
Debt issuance		0	0	0
Debt repayments (3)		(13)1	(20 225)	(10 157)
Employee profit sharing (4)		606	131	325
Repayment of lease liabilities		(8 718)	(16 119)	(7 521)
Interest paid on loans		(140)	(5 280)	(262)
Other income		363	1 030	75
Other financial expenses paid		(2 148)	(3 674)	(1 190)
Net cash flow used in financing activities	C	(10 170)	(44 138)	(18 730)

In thousands of euros	Note	06/30/2021	12/31/2020	06/30/2020
Change in cash before impact of change in foreign currency exchange rates	A + B + C	8,050	(4 072)	(2,788)
Impact of changes in foreign currency exchange rates		154	(252)	(154)
Change in cash		8,204	(4,325)	(2,943)
Opening cash		24,734	29,059	29,059
Closing cash		32,939	24,734	26,116

In thousands of euros	Note	06/30/2021	12/31/2020	06/30/2020
Restatement				
(1) Change in deposits received or paid			(753)	(1,309)
restatement			(26)	(3)
Restated change in deposits rece			(780)	(1,312)
(2) Impact of changes in consolidation scope			(6,094)	
restatement			(1,030)	
Restated impact of changes in consolidation scope			(7,124)	
(3) Debt repayments			(21,151)	(9,834)
restatement			926	(323)
Restated debt repayments			(20,225)	(10,157)
(4) Employee profit sharing			0	0
restatement			131	325
Restated employee profit sharing			131	325

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Note 1 | Reference and general principles

The Group's consolidated financial statements as of June 30, 2021, have been prepared in accordance with standard IAS 34 - Interim Financial Reporting. They are condensed interim financial statements and do not include all of the information required for annual financial statements. The consolidated financial statements as of June 30, 2021, should therefore be read in conjunction with the Group consolidated financial statements reported on December 31, 2020.

The accounting principles applied by the Group for the preparation of the interim consolidated financial statements at June 30, 2021, comply with international accounting standards, IFRS (International Financial Reporting Standards), as endorsed by the European Union. The Group did not opt for early application of the standards, amendments, and interpretations that were not mandatory on June 30, 2021.

The consolidated condensed financial statements were approved by the Board of Directors of Cegedim SA at its meeting of September 16, 2021, and were reviewed by the Audit Committee on September 15, 2021.

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 measured at fair value. Assets and liabilities acquired in connection with business combinations are also recorded at their fair value.

New standards and interpretations applicable as of January 1, 2021

The basis of accounting used for the consolidated interim financial statements at June 30, 2021, is comparable to that used at December 31, 2020. The only exceptions are the new IFRS standards, amendments, and interpretations that became mandatory as of January 1, 2021.

The IFRS standards and amendments that took effect in the first half of 2021 had no impact on the Group's financial statements at June 30, 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2;

Amendments to IFRS 4 "Insurance contracts" - Extension of the temporary exemption from application of IFRS 9 "Financial instruments".

Standards and interpretations adopted by the IASB but not yet applicable on June 30, 2021

The Group has not opted for early application of the standards and interpretations cited below, which may affect it but are not mandatory as of January 1, 2021:

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 – Reference to the Conceptual Framework;

Annual amendments for IFRS Cycle 2018-2020.

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 2020;
- neutralizing the portion of revenue corresponding to entities acquired in the first half of the year 2020 and 2021;
- recalculating 2020 revenue at 2021 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
H1 2020 Revenue	a	133,719	38,379	38,436	23,935	1,730	236,199
Impact of disposals		(73)	-	-	-	-	(73)
H1 2020 revenue before impact of disposals		133,645	38,379	38,436	23,935	1,730	236,126
Currency impact		120	11	(22)	-	-	110
H1 2020 revenue at June 30, 2021 exchange rate	b	133,766	38,391	38,415	23,935	1,730	236,236
HG1 2021 revenue before impact of acquisitions	c	139,957	41,729	44,756	22,913	1,512	250,867
Revenue from acquisitions		290	-	-	-	-	290
H1 2021 Revenue		140,247	41,729	44,756	22,913	1,512	251,158
Like-for-like growth	[c-b]/a	4.6 %	8.7 %	16.5 %	(4.3) %	(12.6) %	6.2 %

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

In thousands of euros		06/30/2021	06/30/2020
Operating income	a	14,839	138
Other non-recurring operating income and expenses	b	4,095	(6,167)
Amortization of goodwill	c	-	-
Other non-recurring operating income and expenses	d=b+c	4,095	(6,167)
Recurring operating income	e=a-d	10,744	6,305
Depreciation and amortization expenses	f	(31,817)	(31,942)
EBITDA	j=e-f	42,562	38,247
IFRS 16 impact	k	8,903	8,014
EBITDA excl. IFRS 16	l=j-k	33,658	30,233

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		06/30/2021	06/30/2020
Cash flow generated from operating activities after tax paid and change in working capital requirements	a	56,639	50,651
Acquisition of intangible assets	b	(25,289)	(27,848)
Acquisition of tangible assets	c	(7,942)	(5,009)
Disposal of tangible and intangible assets	d	19	332
Free cash flow from operations	e= a+b+c+d	23,427	18,126

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		06/30/2021	12/31/2020	06/30/2020
Long-term financial liabilities	a	245,106	248,609	252,744
Short-term financial liabilities	b	21,001	17,850	20,136
Total financial liabilities	c=a+b	266,107	266,459	272,879
Cash and cash equivalents	d	32,939	24,734	26,120
Net financial debt	e=c-d	233,168	241,725	246,759
Non-current IFRS 16 debt	f	58,631	62,331	56,425
Current IFRS 16 debt	g	15,018	15,244	14,186
Net financial debt excluding IFRS 16 debt	h=e-f-g	159,519	164,150	176,148

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.

Acquisition of Kobus in France

On April 30, 2021, Cegedim acquired French start-up *Kobus Tech*, which specializes in patient management for physical therapists (patient care summaries, exercise prescription, mail generation, etc.). Its solution has more than 4,000 users. It is perfectly compatible with *Cegedim Santé's* solutions and their combined offering is one of the market's most comprehensive. Kobus was initially consolidated on June 30, 2021.

Acquisition of Médimust in France

On May 4, 2021, Cegedim acquired *Médimust*, a software publisher serving healthcare professions for 25 years that currently supplies 2,000 independent physicians. The acquisition cements *Cegedim Santé* place as France's number 1 medical software company⁽¹⁾. Pooling the companies' know-how and expertise is strengthening *Cegedim Santé's* range of solutions and improving its ability to adapt to market developments and healthcare professionals' changing needs.

Médimust generated revenues of €1.3 million in 2020 and earned a profit. It began contributing to the Group's consolidation scope in May 2021.

(1) Source: GIE SESAM-Vitale

Note 4 | Consolidation scope

4.1 Changes in consolidation scope

Companies entering 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	Consolidation method during the previous FY	Comments
Kobus	100.00 %	100.00 %	-	FC	-	Acquisition
Medimust	100.00 %	100.00 %	-	FC	-	Acquisition

Creation of companies: None

Acquisition:**Acquisition of Kobus in France**

On April 30, 2021, Cegedim acquired French start-up *Kobus Tech*, which specializes in patient management for physical therapists (patient care summaries, exercise prescription, mail generation, etc.). Its solution has more than 4,000 users. It is perfectly compatible with *Cegedim Santé*'s solutions and their combined offering is one of the market's most comprehensive. Kobus was initially consolidated on June 30, 2021.

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Médimust generated revenues of €1.3 million in 2020 and earned a profit. It began contributing to the Group's consolidation scope in May 2021.

(1) Source: GIE SESAM-Vitale

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
Alliance Software	-	-	100.00%	-	TUP to Smart RX former Alliadis)
Smart RX	-	-	100.00%	-	TUP to Smart RX former Alliadis)

TUP: Universal transfer of assets.

Note 5 | Segment reporting

5.1 Segment reporting 2021

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 June 30, 2021

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2021	Total France	Total rest of the world
Segment revenue							
A	Non-Group revenue	176,607	73,039	1,512	251,158	221,617	29,541
B	Intra-Group revenue	8,739	8,028	40,130	56,897	53,498	3,399
A+B	Total Revenue	185,345	81,067	41,642	308,055	275,115	32,940
Segment profit							
C	Recurring operating income⁽¹⁾	16,058	(6,475)	1,162	10,744		
D	EBITDA⁽¹⁾	32,945	2,126	7,490	42,562		
C/A	Recurring operating margin ⁽¹⁾	9.1 %	(8.9) %	76.9 %	4.3 %		
D/A	EBITDA ⁽¹⁾ margin	18.7 %	2.9 %	495.5 %	16.9 %		
	Depreciation and amortization	16,888	8,601	6,328	31,817		

Geographical breakdown of consolidated revenue at June 30, 2021

In thousands of euros	France	Euro zone excluding France	Pound sterling zone	Rest of the world	06/30/2021
Geographical breakdown	221,617	5,146	20,416	3,979	251,158
%	88.2 %	2.0 %	8.1 %	1.6 %	100.0 %

Balance sheet
items at
June 30, 2021

<i>In thousands of euros</i>	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2021	Total France	Total Rest of the world
Segment assets						
Goodwill (Note 10.1)	94,442	98,872	-	193,314	119,716	73,599
Intangible fixed assets	86,966	75,883	8,827	171,675	121,718	49,956
Property and equipment	45,417	17,516	46,407	109,341	93,456	15,885
Investments in affiliates (Note 9.2)	5,238	15,298	-	20,536	12,131	8,405
Net total	232,063	207,569	55,234	494,866	347,021	147,845
Investments during the year (gross values)						
Goodwill (Note 10.1)	-	5,571	-	5,571	5,571	-
Intangible fixed assets	14,317	9,498	1,474	25,289	21,576	3,713
Property and equipment	2,602	2,466	7,533	12,600	6,992	5,608
Investments in affiliates (Note 9.2)	-	-	-	-	-	-
Gross total	16,918	17,535	9,007	43,460	34,139	9,321
Segment liabilities⁽¹⁾						
Non-current liabilities						
Provisions for retirement	24,830	10,263	1,794	36,887	36,887	-
Other provisions	405	1,583	319	2,307	1,956	351
Other liabilities	-	-	-	-	-	-
Current liabilities						
Trade payables and related accounts	24,216	15,890	7,879	47,985	34,898	13,087
Tax and social liabilities	83,492	25,158	7,257	115,907	109,042	6,865
Provisions	791	1,230	-	2,021	2,021	-
Other liabilities	72,662	28,265	626	101,554	91,366	10,188

(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 June 30, 2021

Since FY2020, in addition to a breakdown of revenues by sector, we have provided a breakdown using five divisions. This breakdown is designed to help readers understand our activities by highlighting the various businesses we engage in, which the reader will find more direct comparisons among other listed companies.

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	<i>a</i>	140,247	41,729	44,756	22,913	1,512	251,158
EBITDA⁽¹⁾	<i>b</i>	19,667	7,366	7,986	51	7,490	42,562
<i>EBITDA margin⁽¹⁾</i>	<i>b/c</i>	14.0%	17.7%	17.8%	0.2%	495.5%	16.9%
Depreciation expenses of R&D	<i>e</i>	(12,377)	(2,292)	(526)	(809)	(522)	(16,525)
Depreciation expenses of right-of-use assets	<i>f</i>	(3,220)	(668)	(507)	(598)	(3,082)	(8,076)
Others Depreciation expenses	<i>g</i>	(1,964)	(564)	(1,673)	(291)	(2,725)	(7,216)
Depreciation expenses	<i>h=e+f+g</i>	(17,562)	(3,524)	(2,706)	(1,697)	(6,328)	(31,817)
Recurring operating income⁽¹⁾	<i>i=b-h</i>	2,105	3,843	5,280	(1,646)	1,162	10,744
<i>Recurring operating income margin</i>	<i>i/a</i>	1.5%	9.2%	11.8%	(7.2)%	76.9%	4.3%
Depreciation of goodwill	<i>j</i>	-	-	-	-	-	-
on-recurring income and expenses	<i>k</i>	(213)	(223)	-	-	4,532	4,095
Other non-recurring operating income and expenses⁽¹⁾	<i>l=j+k</i>	(213)	(223)	-	-	4,532	4,095
Operating income	<i>m=i-l</i>	1,892	3,619	5,280	(1,646)	5,694	14,839
<i>Operating income margin</i>	<i>m/a</i>	1.3%	8.7%	11.8%	(7.2)%	376.6%	5.9%

5.2 Segment reporting 2020

Income statement items at June 30, 2020

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2020	Total France	Total rest of the world
Produits sectoriels							
A	Non-Group revenue	160,322	74,147	1,730	236,199	202,587	33,612
B	Intra-Group revenue	6,598	7,974	27,232	41,804	39,892	1,912
A+B	Revenue	166,921	82,120	28,962	278,003	242,479	35,524
Résultat sectoriel							
C	Recurring operating income⁽¹⁾	4,127	3,029	(852)	6,305		
D	EBITDA⁽¹⁾	22,012	11,699	4,535	38,247		
C/A	Recurring operating income margin ⁽¹⁾	2,6%	4,1%	(49,3)%	2,7%		
D/A	EBITDA margin ⁽¹⁾	13,7%	15,8%	262,2%	16,2%		
Depreciation and amortization		17,885	8,670	5,388	31,942		

Geographical breakdown of consolidated revenue at June 30, 2020

In thousands of euros	France	Euro zone excluding France	Pound sterling zone	Rest of the world	06/30/2020
Geographical breakdown	202,587	4,874	24,862	3,876	236,199
%	85.8 %	2.1 %	10.5 %	1.6%	100.0%

Balance sheet
items at
June 30, 2020

In thousands of euros	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2020	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 June 30, 2020

In thousands of euros		Software & Services	Flow	Data & marketing	BPO	Corporate and others	Group
Revenue		133,719	38,379	38,436	23,935	1,730	236,199
EBITDA⁽¹⁾		21,813	7,616	3,585	(231)	5,464	38,247
<i>EBITDA margin</i>	b/c	16.3 %	19.8 %	9.3 %	(1.0) %	315.9 %	16.2 %
Depreciation expenses of R&D	e	(11,659)	(2,212)	(407)	(861)	(365)	(15,503)
Depreciation expenses of right-of-use assets	f	(3,307)	(592)	(501)	(579)	(2,705)	(7,684)
Others Depreciation expenses	g	(2,463)	(1,116)	(2,054)	(284)	(2,838)	(8,756)
Depreciation expenses	<i>h=e+f+g</i>	(17,429)	(3,921)	(2,962)	(1,724)	(5,908)	(31,942)
Recurring operating income	<i>i=b-h</i>	4,385	3,695	623	(1,954)	(444)	6,305
<i>Recurring operating income margin</i>	i/a	3.3 %	9.6 %	1.6 %	(8.2) %	(25.7) %	2.7 %
Depreciation of goodwill	j	-	-	-	-	-	-
Other non-recurring income and expenses	k	4,922	-	-	-	(1,245)	(6,167)
Other non-recurring operating income and expenses	<i>l=j+k</i>	4,922	-	-	-	(1,245)	(6,167)
Operating income	<i>m=i-l</i>	(537)	3 695	623	(1 954)	(1 689)	138
<i>Operating income margin</i>	m/a	(0.4) %	9.6 %	1.6 %	(8.2) %	(97.6) %	0.1 %

Note 6 | Operating data

6.1 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 (70% of consolidated revenues in H1 2021). 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; digital data interchange needs, hosting or outsourcing.
- Services for **healthcare professionals** (29% of consolidated revenues in H1 2021). 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. Therefore, 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 by sectors mirrors our internal reporting used by Cegedim Group 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 5). 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 more 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 5).

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.

<i>In thousands of euros</i>	Opening balance	Closing balance
Contract assets	19,483	30,119
Contract liabilities	36,502	45,407

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.

6.2 Other non-recurring operating income and expenses

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

In thousands of euros	06/30/2021	06/30/2020
Recurring operating income	10,744	6,305
Provision for intangible asset obsolescence	- ⁽¹⁾	(4,983) ⁽¹⁾
Restructuring costs ⁽³⁾	(491)	(791)
Other non-recurring income and expenses ⁽⁴⁾	4,586	(393)
Operating income	14,839	138

(1) of which €4.3 million of intangible asset impairments in the UK pertaining to software development related to prior acquisitions, and €949,000 in writedowns of receivables at Cegedim SA related to the divestment of CRM activities in 2015.

(2) Restructuring costs have to do with expenses related to the departure of senior managers and efforts to significantly reorganize the governance at certain businesses, including the closure of related sites.

(3) Other special items include fines, litigation, and the settlement of exceptional transactions. On June 30, 2021, the Group received compensation from a client for the early termination of a contract that was supposed to end in 2027, resulting in a non-recurring gain of €4.7 million.

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

6.3 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	06/30/2021	06/30/2020
Payroll costs	18,802	20,502
External expenses	4,700	5,125
Capitalized production	23,502	25,627

6.4 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 €30,3 million at June 30, 2021.

<i>In thousands of euros</i>	Current receivables		Non-current receivables		Total receivables	
	06/30/2020	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
French companies	130,834	127,096	-	-	130,834	127,096
Foreign companies	16,336	18,321	-	-	16,336	18,321
Total gross value	147,170	145,417	-	-	147,170	145,417
Provisions	10,501	10,766	-	-	10,501	10,766
Total net value	136,669	134,650	-	-	136,669	134,650

Aged balance

<i>In thousands of euros</i>	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	23,408	4,343	5,057	2,200	1,309	10,500
Foreign companies	6,867	3,276	748	827	400	1,615
Total (gross value)	30,275	7,619	5,805	3,027	1,709	12,115

6.5 Other receivables

In thousands of euros	Social security receivables		Tax receivables		Other receivables ⁽¹⁾		Total other receivables	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Current receivables								
French companies	1,166	1,115	10,207	15,886	39,477	173,027	50,849	190,028
Foreign companies	224	161	2,909	3,461	149	141	3,281	3,763
Total gross value	1,389	1,275	13,115	19,347	39,625	173,169	54,130	193,791
Provisions						101	-	101
Total current receivables (net values)	1,389	1,275	13,115	19,347	39,625	173,068	54,130	193,690
Non-current receivables								
French companies								
Foreign companies								
Total gross value	-	-	-	-	-	-	-	-
Provisions								
Total non-current receivables (net value)	-	-	-	-	-	-	-	-

(1) The item "Other receivables" includes the amounts managed on behalf of mutuals and health insurers in the context of delegated management contracts entered into with the Group for €39 million at June 30, 2021, and €171 million at December 31, 2020. Starting in 2021, the management reports supplied by the main delegating companies include a clearing of receivables and liabilities as the advances used to finance the services provided to beneficiaries are used. Thus, the Group can now enter these cleared positions into its financial statements.

The impact of the clearing is responsible for the significant decrease in other receivables and, to a similar extent, in other liabilities between December 31, 2020, and June 30, 2021.

6.6 Other liabilities

In thousands of euros	Currents		Non-current		Total	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Advances and payment on account	354	223	-	-	354	223
Clients – unissued credits	-	-	-	-	-	-
Expenses payable	-	-	-	-	-	-
Miscellaneous payables ⁽¹⁾	55,719	193,989	-	-	55,719	193,989
Other liabilities	55,719	193,989	-	-	55,719	193,989
Debts on acquisition of assets	-	4	-	-	-	4
Dividends payable	-	-	-	-	-	-
Deferred income	45,481	36,279	-	-	45,481	36,279
Total other liabilities	101,554	230,495	-	-	101,554	230,495

(1) The item "Miscellaneous payables" includes the amounts managed on behalf of mutuals and health insurers in the context of delegated management contracts entered into with the Group for €54 million at June 30, 2021, and €194 million at December 31, 2020. Starting in 2021, the management reports supplied by the main delegating companies include a clearing of receivables and liabilities as the advances used to finance the services provided to beneficiaries are used. Thus, the Group can now enter these cleared positions into its financial statements.

The impact of the clearing is responsible for the significant decrease in other liabilities and, to a similar extent in other receivable between December 31, 2020, and June 30, 2021.

Note 7 | Personnel costs and employee benefits**7.1 Employee costs**

<i>In thousands of euros</i>	06/30/2021	06/30/2020
Payroll costs	(135,448)	(126,192)
Profit-sharing and incentives	(4,064)	(1,702)
Free share award plan	78	(119)
Provisions for employee litigation	35	(126)
Personnel costs	(139,400)	(127,901)

7.2 Workforce

<i>In thousands of euros</i>	06/30/2021	06/30/2020
France	3,515	3,398
International	2,009	1,768
Number of employees	5,524	5,166

7.3 Award of free shares

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 Board of Directors acted on January 26, 2021, 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 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.
- The plan dated January 26, 2021, authorized a maximum award of 37,068 free shares.
- For the 2019, 2020, and 2021 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 :	01/29/2019	01/27/2020	01/26/2021
Date of the General Meeting	06/19/2018	06/19/2018	06/19/2018
Date of the Board meeting	01/29/2019	01/27/2020	01/26/2021
Date of Date of plan opening	01/29/2019	01/27/2020	01/26/2021
Total number of shares that can be awarded	22,190 shares	37,308 shares	37,068 shares
Initial subscription price	€23.50	€31.40	€25.00
Vesting date, France	01/29/2021	01/27/2022	01/26/2023
Vesting date, Foreign	01/29/2022	01/27/2023	01/26/2024

Position of plan as at June 30, 2021

Plan dated :	01/29/2019	01/27/2020	01/26/2021
Total number of shares awarded	2,519 shares	30,587 shares	30,140 shares
Total number of shares left to be acquired	0	0	0
Adjusted acquisition price of free share award for			
France	€22,81	€30,48	€24,27
Foreign	€19,98	€26,69	€21,25

Note 8 | Investments in affiliates

8.1 Value of shares in equity method companies

Entité	% owned at 06/30/2021	Profit (loss) at 06/30/2021	Group share of profit (loss) at 06/30/2021	Net share-holders' equity at 06/30/2021	Group share of total net share-holders' equity at 06/30/2021	Goodwill	Provision for risks	Leaving the scope	Net value of investments in affiliates at 06/30/2021
Edipharm	20.00 %	159	32	228	46				46
Isiakle	50.00 %	-	-	50	25				25
Pharmazon	28.57 %	(158)	(45)	2,530	723	3,312			4,034
Clamae Group	34.09 %	(1,631)	(556)	1,215	414	4,753			5,167
Millennium	49.22 %	517	255	15,827	7,790	2,859			10,649
Healthcare Gateway	50.00 %	851	425	1,231	615				615
Group share of investments in affiliates contributing to operating income		(263)	110	21,081	9,613	10,923	-	-	20,536
Infodisk	34.00 %	-	-	(754)	(256)		256		-
Total as of 06/30/2021		(263)	110	20,327	9,356	10,923	256	-	20,536

8.2 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 01/01/2021	21,479
Distribution of dividend	(1,067)
Share of profit (loss) at 06/30/2021	110
Goodwill	-
Provision for risk	-
Unrealized exchange gains / losses	14
Change in consolidated scoop	-
Distribution of dividend	20,536

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.

Note 9 | Assets

9.1 Goodwill

As of June 30, 2021, the net value of acquisition goodwill was €193.3 million, compared with €186 million at December 31, 2020. Of the €7.3 million increase, €5.5 million is attributable to the acquisition of French companies Kobus Tech (patient management solution for physical therapists) and Medimust (doctor software publisher), and €1.7 million is attributable to currency impacts. The goodwill related to these acquisitions has not yet been allocated. The Group assigns goodwill from acquisitions within a 12-month period, taking care to gain the proper perspective needed before making evaluations. In practice, these allocations are made close to the end of the 12-month period.

CGU groups	12/31/2020	Correction brought forward	Reclassification	Allocation of acquisition goodwill	Deferred tax on allocation	Scope	Impairment	Translation gains or losses and other changes	06/30/2021
Health Insurance, HR & e-services	94,048							394	94,442
Healthcare professionals	91,988					5,571		1,313	98,872
Corporate and others	-								-
Total goodwill	186,036	-	-	-	-	5,571	-	1,707	193,314

Impairment tests

IAS 36, section 90, says that CGUs (cash generating units) to which goodwill has been assigned must be tested at least annually or whenever there is an indication of impairment. Impairment is defined as the difference between the CGU's recoverable value and its book value. IAS 36.18 defines recoverable value as the higher of the asset's fair value less costs to sell and its value in use (the present value of the stream of income the company expects the asset to generate).

The impairment tests aim to ensure that the book value of the assets needed for business operations and assigned to each CGU (including acquisition goodwill) does not exceed their recoverable value. The recoverable amount retained is the value in use of the assets tested..

No indication of impairment at June 30, 2021

Cegedim Group businesses experienced a strong recovery in the second half of 2020 and the trend continued into the first half of 2021 despite the ever-present pandemic.

The Group has not detected any indications of impairment of value from any of its businesses' distinct intangible assets.

The Group looked also at the risk of impairment arising from its "Healthcare professionals" CGU, which had the least amount of headroom at December 31, 2020.

The trend in first-half 2021 revenues at the CGU confirms the seasonality it has traditionally exhibited in pre-pandemic years. Certain activities turned in weaker performances than in the year-earlier period, but these were expected and had already been factored into the business plans used in previous impairment tests. The main reason for the weakness is hiring for sales teams and efforts to pursue innovation for the group's groundbreaking offerings, the costs of which caused performance to decline temporarily—but not structurally—particularly in the French telemedicine business and the UK doctor software business. The impacts beyond 2021 do not jeopardize the assumptions in the business plan, given that delays in opening up the UK market to next-generation software sales, decided by the country's health authorities, are likely to be offset by the French government's "Ségur de la Santé" stimulus plan for the healthcare sector.

As a result, the Group does not see an indication of impairment with respect to this CGU.

Note 10 | Financing and financial instruments

10.1 Net financial debt

In thousands of euros	06/30/2021			12/31/2020		
	Financial	Miscellaneous ⁽¹⁾	Total	Financial	Miscellaneous ⁽¹⁾	Total
Long-term borrowings and financial liabilities (> 5 years)	-	-	-	-	-	-
Medium-term borrowings and financial liabilities (> 1 year, < 5 years)	179,530	6,945	186,475	179,508	6,770	186,278
Non-current financial debt excluding IFRS 16 debt	179,530	6,945	186,475	179,508	6,770	186,278
Short-term borrowings and financial liabilities (< 1 year)	4,518	1,465	5,983	1,310	1,296	2,606
Current bank loans	-	-	-	-	-	-
Current financial debt excluding IFRS 16 debt	4,518	1,465	5,983	1,310	1,296	2,606
Total financial liabilities	184,048	8,410	192,458	180,818	8,067	188,884
Positive cash	32,939	-	32,939	24,734	-	24,734
Net financial debt excluding IFRS 16	151,109	8,410	159,519	156,083	8,067	164,150
Non-current IFRS 16 debt	58,631	-	58,631	62,331	-	62,331
Current IFRS 16 debt	15,018	-	15,018	15,244	-	15,244
Net financial debt	224,758	8,410	233,168	233,659	8,067	241,725

(1) The miscellaneous items include employee profit-sharing plans in the amount of c.€7,594,000 at June 30, 2021 and c.€6,988,000 at December 31, 2020.

10.2 Net cash

In thousands of euros	06/30/2021	12/31/2020
Current bank loans	-	-
Positive cash	32,939	24,734
Net cash	32,939	24,734

10.3 IFRS 16 debt

In thousands of euros	Less than 1 year	> 1 year < 5 years	Over 5 years
IFRS 16 debt	15,018	48,788	9,843
Total	15,018	48,788	9,843

IFRS 16 debt amounted to 74 million euros at June 30, 2021

10.4 Statement of changes in net debt

In thousands of euros		06/30/2021	12/31/2020
Operating cash flow before cost of net debt and taxes	A	241,725	246,516
Tax paid		(46,951)	(98,205)
Change in working capital requirement		(640)	6,337
Net cash flow from operating activities		(9,048)	(18,513)
Change from investing activities		(56,639)	(110,381)
Impact of changes in consolidation scope		33,435	65,197
Dividends		5,098	6,094
Capital increase in cash		(114)	(2,032)
Impact of changes in foreign currency exchange rates		(154)	-
Interest paid on loans		140	252
Other financial income and expenses paid or received and interest on lease obligations		1,85	5,280
IFRS 16		4,792	2,643
Other changes		2,357	27,774
Total net change for the period		216	350
Impact of companies consolidated for the first time	B	(9,084)	(4,823)
Impact of companies sold	C	527	32
Net debt at the end of the period	A+B+C+D	233,168	(241,725)

10.5 Cost of net debt

In thousands of euros	06/30/2021	06/30/2020
Income or cash equivalent	52	35
Interest paid on borrowings	(140)	(262)
Accrued interest on borrowings	(2,362)	(2,362)
Interest on financial liabilities	(2,502)	(2,624)
Other interest and financial expenses ⁽¹⁾	(914)	(943)
Interest paid on lease liabilities	(744)	(699)
Cost of gross financial debt	(4,160)	(4,266)
Net foreign exchange gains and losses	(912)	(281)
Valuation of financial instruments	(407)	76
Other	(80)	(130)
Other financial income and expenses	(1,399)	(335)
Cost of net financial debt	(5,507)	(4,566)

In thousands of euros	06/30/2021	06/30/2020
(1) Including FCB interest	(635)	(652)
Interest on employee profit sharing	(210)	(189)
Total	(845)	(841)

10.6 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 June 30, 2021, 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 €16 million of commitments related to the health insurance BPO activity (outsourced management of health benefit payments).

At June 30, 2021, there is no interest rate hedging, but the vast majority of debt is at fixed interest rates. The portion of debt subject to interest rate fluctuations at June 30, 2021, is €45 million.

Interest expense on bank loans, bonds, charges, and commissions totaled €0.1 million at June 30, 2021.

Interest on the shareholder loan at June 30, 2021, amounted to €0.6 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.

10.7 Liquidity risk

Contractual cash flows are not discounted.

When there is a fixed rate, the rate is used to calculate future interest payments.

The lenders (banks and bondholders) must approve transactions worth over €50 million per fiscal year. If the leverage ratio exceeds 2 times, the lenders (banks and bondholders) must approve the contemplated transaction.

Note 11 | Change in working capital requirement

Change in
working capital
requirement

In thousands of euros	06/30/2021	12/31/2020	06/30/2020
Inventories	(1,356)	605	(418)
Trade receivables and prepaid expenses	(176)	7,370	2,415
Social contributions and tax receivable	2,592	(2,701)	(4,476)
BPO business advances	(39,811)	(356)	2,636
Others	28,877	1,720	(222)
Impact of the change in trade and other debtors	(9,874)	6,638	(65)
Accounts payable and prepaid income	(4,074)	6,989	2,258
Social contributions and tax payable	(6,902)	(17,383)	(11,099)
Others	(7,946)	(1,481)	(9,362)
Impact of the change in trade and other creditors	(18,922)	(11,875)	(18,203)
Net	9,048	18,513	18,138

Postponement of rent and social charge payments had a €9 million positive impact on WCR.

Note 12 | 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 €0.5 million at June 30, 2021, and were recognized in external expenses.

The trend in right-of-use assets and lease liabilities in the first half of 2021 is as follows:

12.1 Right-of-use assets of lease contracts

In thousands of euros	Real estate	Equipment	Total
Gross value			
12/31/2020	94,824	6,666	101,490
06/30/2021	98,240	6,249	104,489
Depreciation & amortization			
12/31/2020	(23,229)	(2,655)	(25,884)
06/30/2021	(29,703)	(3,023)	(32,726)
Net value			
12/31/2020	71,595	4,011	75,606
06/30/2021	68,537	3,226	71,763

12.2 Lease debt

As of June 30, 2021, lease contract debt amounts to c.€73,649,000; the long-term portion amounts to c.58,631,000 and the short-term portion, to c.€15,018,000.

The change in the debt can be explained as follow:

In thousands of euros	
Debt as of 12/31/2020	77,575
New contracts	4,659
Repayment of leases obligations	(8,718)
Others	133
Debt as of 06/30/2021	73,649

Note 13 | Income tax

13.1 Deferred tax

Tax breakdown

The tax expense recognized in income was €2,830,000 at June 30, 2021, compared with €212,000 at June 30, 2020. This comprised:

In thousands of euros	06/30/2021	06/30/2020
Tax paid		
France	(2,521)	(323)
Abroad	(534)	(193)
Total tax paid	(3,055)	(516)
Deferred tax		
France	151	544
Abroad	74	(240)
Total deferred taxes	225	304
Total tax income recognized in the income statement	(2,830)	(212)

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	12/31/2020	Reclassification and correction brought forward	Profit (loss)	Change in consolidation scope	Other change in equity	Change in exchange rates	06/30/2021
Tax loss carryforwards	20,000	-	-	-	-	-	20,000
Retirement benefit commitments	8,313	-	390	-	25	-	8,728
Non-deductible provisions	3,600	-	(428)	-	-	-	3,172
Fair value adjustment to financial instruments	1	6	115	-	(122)	-	0
Finance lease	525	-	(26)	-	-	-	499
Elimination of internal capital gain	146	-	(2)	-	-	-	144
Restatement of R&D margin	1,007	-	140	-	-	-	1,147
Other	184	-	370	-	-	-	554
Total deferred tax assets	33,777	6	559	-	(97)	-	34,244
Unrealized exchange gains/losses	-	-	311	-	-	(311)	-
R&D capitalization	(6,228)	-	(327)	-	-	-	(6,555)
Restatement of the allowance for the R&D margin	(326)	-	(73)	-	-	-	(399)
Debt at amortized cost	0	(6)	(7)	-	-	-	(13)
Intangible assets	(1,212)	-	121	-	-	-	(1,091)
Others	(406)	-	(359)	-	-	-	(765)
Total deferred tax liabilities	(8,173)	(6)	(334)	-	-	(311)	(8,823)
Intangible assets	25,604	-	225	-	(97)	(311)	25,421

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 :

<i>In thousands of euros</i>	Assets	Liabilities	Net
At December 31, 2020	33,202	(7,599)	25,604
Impact on profit (loss) for the period	559	(334)	225
Impact on OCI	(97)	(311)	(408)
Impact of net reporting by fiscal entity	(477)	478	1
At June 30, 2021	33,187	(7,766)	25,421

Tax corresponding to tax loss carryforwards not recognized at June 30, 2021, amounts to €32,869,000 for French companies and €17,462,000 for foreign companies.

Note 14 | Equity and earnings per share

14.1 Equity

At June 30, 2021, share capital was made up of 13,997,173 shares (including 200,835 treasury shares), each with a nominal value of €0.9528, i.e. total share capital of €13,336,506.

14.2 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. 13,798,138 shares at June 30, 2021, and 13,824,493 shares at December 31, 2020).

Earnings per share before Non-recurring income and expenses⁽¹⁾ amounted to €0.4 in respect of H1 2021.

Earnings per share amounted to €0.5 in respect of H1 2021.

Cegedim SA	06/30/2021	12/31/2020
Weighted average number of outstanding ordinary Cegedim SA shares	13,997,173	13,997,173
Less average number of treasury shares	(199,035)	(172,680)
Number of shares used to calculate earnings per share	13,798,138	13,824,493

Note 15 | Dividend

No dividend was paid in respect of financial year 2020, in accordance with the decision of the Ordinary General Shareholders' Meeting held on June 17, 2021.

Note 16 | Other disclosures**16.1 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. 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. 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 3.6, Note 2 on alternative performance indicators and Note 5 "Segment reporting".

16.2 Off-balance sheet commitments

The change in guarantees between December 31, 2020, and June 30, 2021, was not material.

16.3 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 €16.8 million at June 30, 2021. 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 17 | Significant post-closing transactions and events (post June 30, 2021)

No significant events occurred between December 31, 2020, and September 16, 2021, when the Board of Directors authorized the Interim financial statements for issue

3.7 | 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

Period from January 1, 2021 to June 30, 2021

To the shareholders of Cegedim S.A..

In compliance with the assignment entrusted to us by your General Meeting of Shareholders and under the terms of article L.451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the condensed interim consolidated financial statements of CEGEDIM S.A. for the period from January 1, 2021 to June 30, 2021, as attached to this report;
- verified the data provided in the interim activity report.

The global crisis related to the Covid-19 pandemic has presented challenges for preparing and conducting a limited review of the condensed consolidated half-year financial statements. Indeed, this crisis and the exceptional measures taken to deal with the public health emergency have had multiple consequences for companies, particularly regarding their activity and their financing, as well as increased uncertainty regarding future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organizations and the way our work is carried out.

These condensed interim consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express a conclusion based on our review of these financial statements.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A limited review consists of holding discussions with the senior executives responsible for accounting and finances, and applying analytical procedures. As the scope of a review is less than that of an audit conducted in accordance with professional standards applicable in France, we provide moderate assurance that the financial statements, in their totality, are free of material misstatement. This level of assurance is lower than that provided in a full audit. In our limited review, we found no material misstatement that would cast doubt on the condensed interim consolidated financial statements' compliance with IAS 34—the IFRS standard adopted by the EU for interim financial information.

Without calling into question the above conclusion, we draw your attention to the point set out in Notes 6.5 "Other Receivables" and 6.6 "Other Liabilities" of the notes to the interim consolidated financial statements concerning the impact of the clearing of receivables and liabilities using the information now available in the management documents provided by the main delegating companies.

II – Specific verification

We also verified the information provided in the interim activity report that accompanies the condensed interim consolidated financial statements we reviewed.

We have no remarks to make regarding the sincerity and consistency of this information with the condensed interim consolidated financial statements

The Statutory Auditor

KPMG S.A.
Paris La Défense, September 17, 2021

Vincent de Becquevort
Partner

Mazars
Courbevoie, September 17, 2021

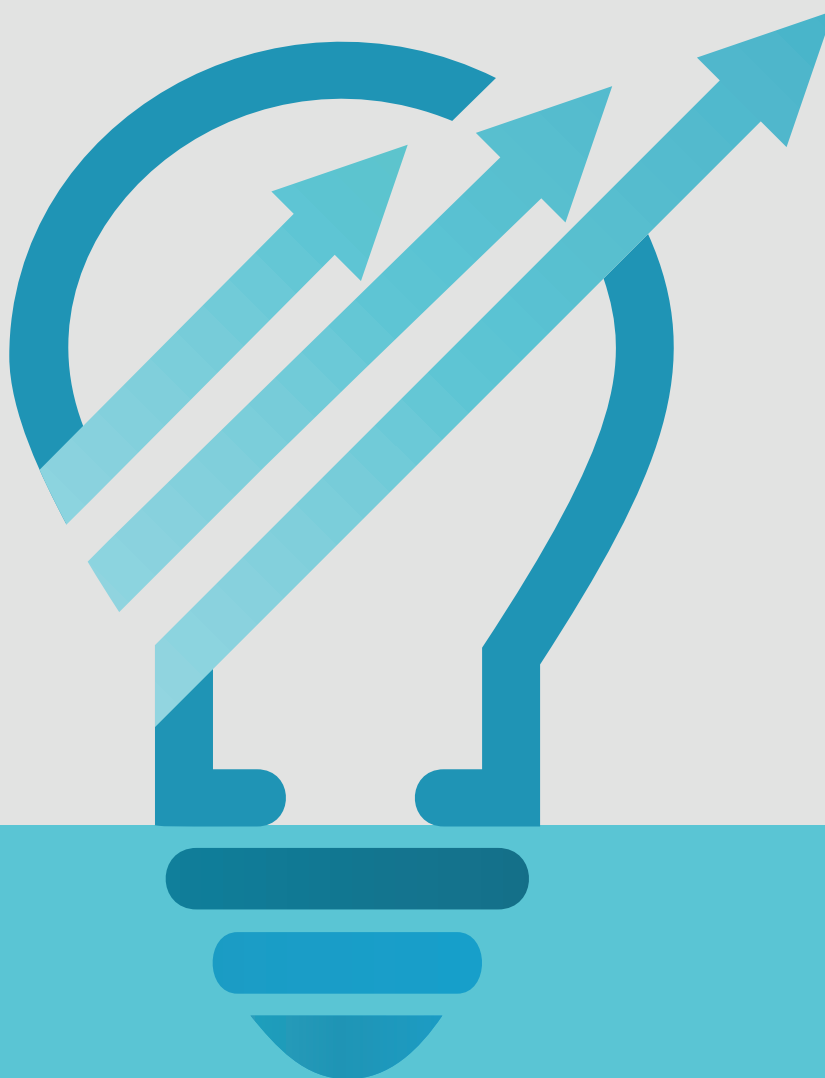
Jean-Philippe Mathorez
Partner

2021

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