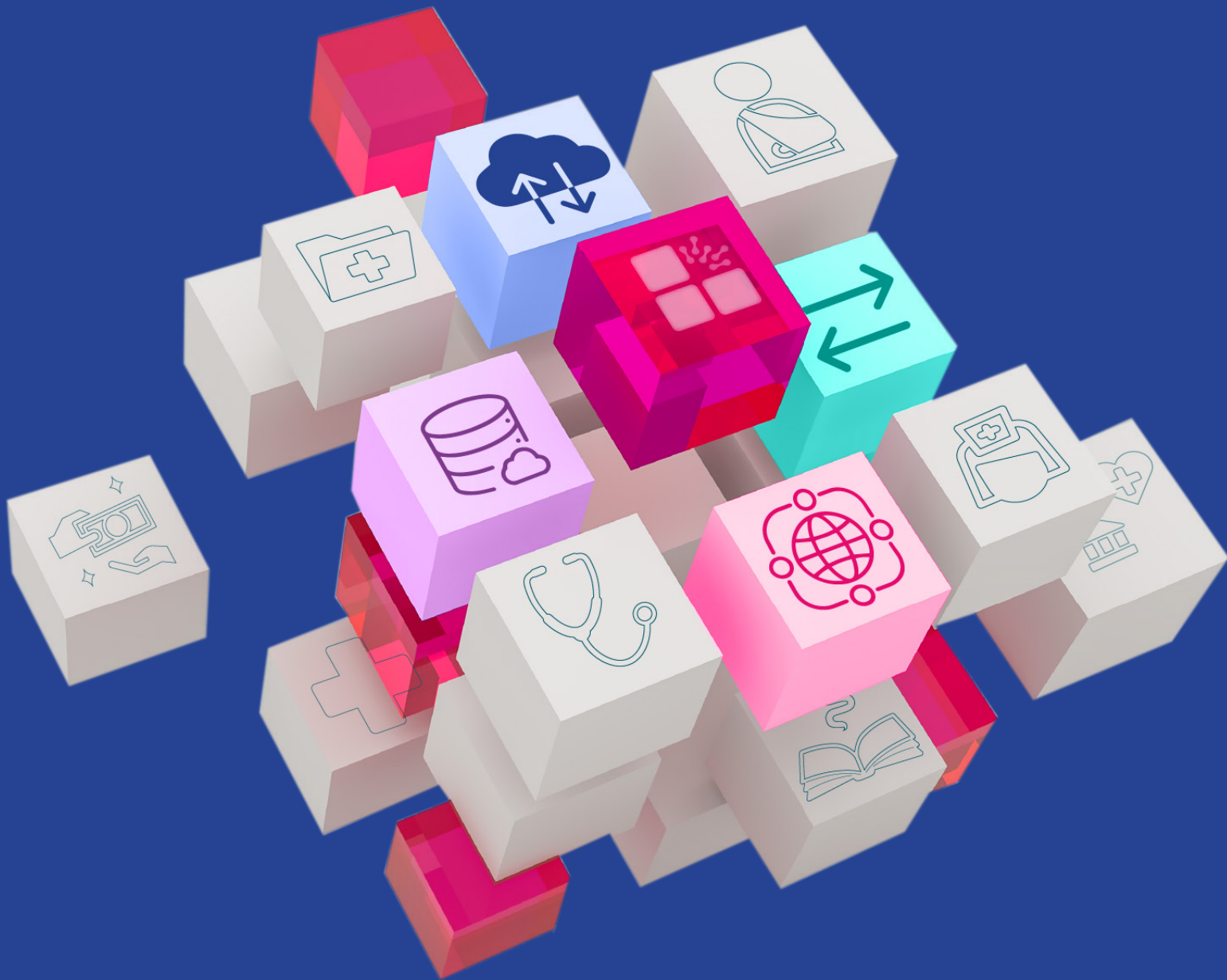


Interim Financial Report

Cegedim Group



1st Half

2023





Summary

Certification by the person assuming responsibility for the 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, Septembre 20, 2023.

Jean-Claude Labrune, Chairman & CEO, Cegedim SA.

01

Cegedim:
the big picture

1.1	This is Cegedim	9
1.2	We are the leading integrated player in healthcare, with a unique ecosystem	10
1.3	Financial key indicators as of June 30, 2023	11
1.4	Our core division in the first half of 2023	12
1.5	Executives and supervisory bodies, statutory auditors	14
1.6	Employees as June 30, 2023	15
1.7	Stock market information	16
1.8	Cegedim's Equity story	17

02

Interim activity
report

2.1	Interim period highlights	20
2.2	H1 2023 business review	21
2.3	Investment policy	41
2.4	Related party transactions	41
2.5	Main risks and uncertainties for the remaining six months of the year	41
2.6	Events after June 30, 2023	42
2.7	Outlook	42

03

Condensed
consolidated
interim financial
statements

3.1	Consolidated balance sheet	46
3.2	Consolidated income statements	48
3.3	Consolidated statement of changes in equity	50
3.4	Consolidated statement of cash flows	51
3.5	Notes to the consolidated financial statements	52
3.6	Statutory Auditors' report on the consolidated financial statements	76



Cegedim: The big picture



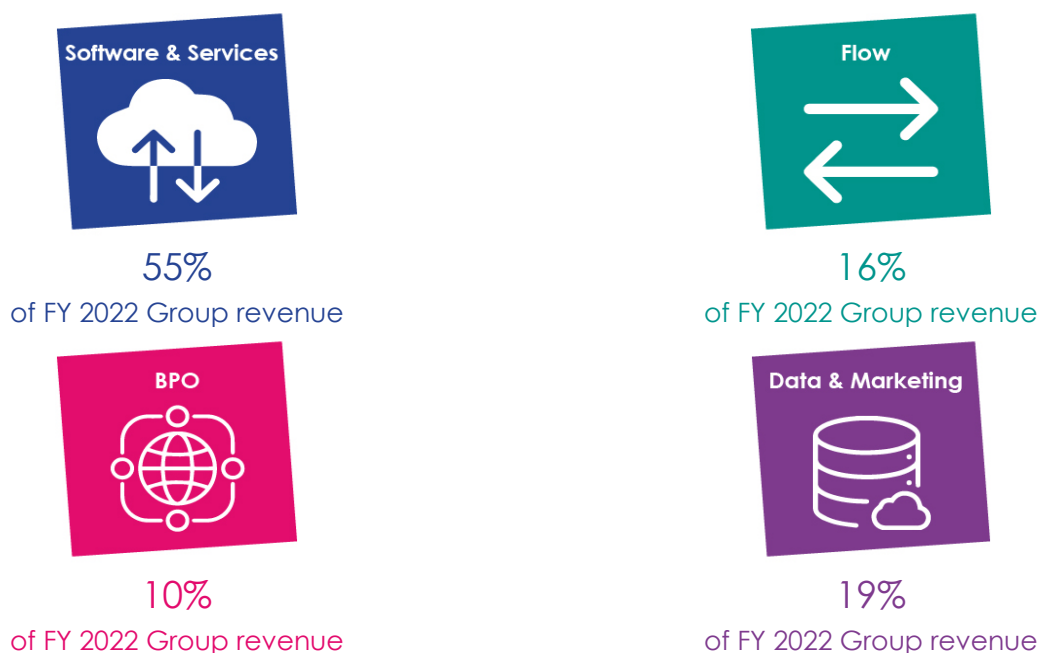
1.1 | This is Cegedim

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 6,000 people in more than 10 countries and generated revenue of €555.2 million in 2022. Cegedim SA is listed in Paris (EURONEXT: CGM).

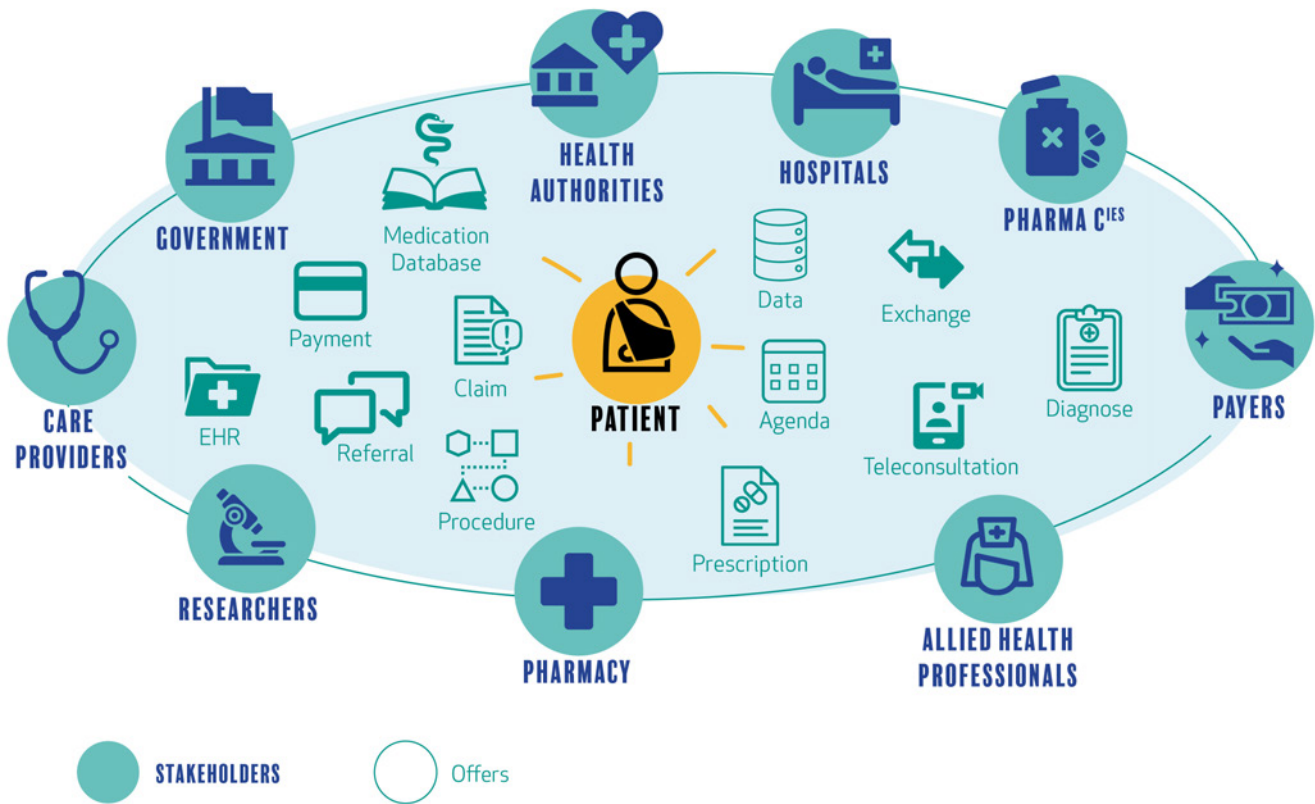
A strong European presence



Our core divisions



1.2 | We are the leading integrated player in healthcare, with a unique ecosystem



1.3 | Financial key indicators as of June 30, 2023

Key consolidated figures

in millions of euros	06/30/2023	06/30/2022	Change %
Summary income statement			
Revenue	301.0	267.6	12.5%
EBITDA⁽¹⁾	48.8	41.7	17.20%
Depreciation & amortization	38.1	34.8	9.42%
Recurring operating income⁽¹⁾	10.7	6.8	56.97%
Recurring operating margin ⁽¹⁾	3.6%	2.5%	
Other non-recurring operating income and expenses ⁽¹⁾	(1.4)	(4.4)	68.20%
Operating income	9.3	2.5	278.80%
Operating margin	3.1%	0.9%	
Financial results	(5.6)	(4.4)	(25.74)%
Total taxes	(12.4)	(3.5)	(255.19)%
Consolidated net profit	(9.2)	(6.1)	n.m.
Consolidated net profit attributable to the Group	(8.8)	(4.9)	n.m.
Summary Cash flow statement			
Total capital expenditures⁽²⁾	(40.3)	(42.1)	(4.4)%
Free cash flow from operation⁽¹⁾	(11.2)	(33.0)	(65.9)%
Summary Balance sheet			
Net financial debt⁽¹⁾ excluding debt related to right-of-use	166.3	155.0	+7.3%
Shareholders' equity	296.7	288.5	2.9%

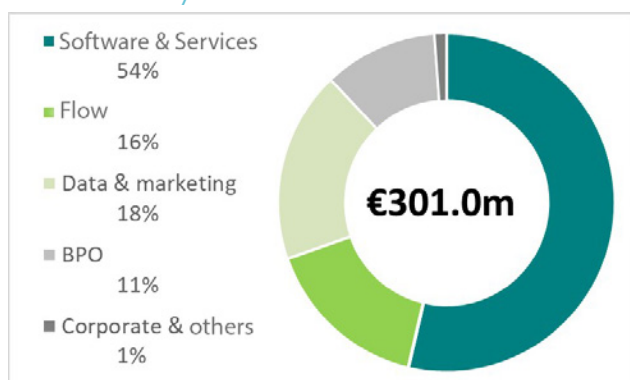
Per share data

in euros	06/30/2023	06/30/2022	06/30/2021
Current earnings per share⁽¹⁾	(0.6)	(0.4)	0.4
Earnings per share	(0.6)	(0.4)	0.5

⁽¹⁾ See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

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

Revenue by Division



Net financial debt⁽¹⁾ in millions of euros

	06/30/2023	12/31/2022	06/30/2022
Net financial debt	166.3	137.2	155.0

⁽¹⁾ See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

1.4 | Our core division in the first half of 2023

**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.

54%

Of 1H 2023 Group revenue

See section 2.2.1.1

<i>In millions of euros</i>	06/30/2023	06/30/2022	% Change	€m Change
Revenue	161.5	145.6	10.9%	15.9
Recurring operating income⁽¹⁾	(2.0)	(7.6)	73.5%	5.6
<i>Recurring operating margin⁽¹⁾</i>	<i>(1.2)%</i>	<i>(5.2)%</i>		
<i>Other non-recurring operating income and expenses⁽¹⁾</i>	<i>(1.2)</i>	<i>(1.0)</i>	<i>(21.3)%</i>	<i>(0.2)</i>
Operating income	(3.2)	(8.6)	62.8%	5.4
<i>Operating margin</i>	<i>(2)%</i>	<i>(6)%</i>		

Revenue: Sales for the first half of 2023 rose by 10.9%, driven by strong performances from Cegedim Santé (+25% over the half-year), international activities (+10%) and HR solutions (+10% over the half-year).

Recurring operating income⁽¹⁾ ended the first half of 2023 with a loss of €2.0m compared with a loss of €7.6m a year earlier, an improvement of €5.6m. This improvement can be explained, on the one hand, at Cegedim Santé by the €4.9m improvement in operating income(1) resulting from the impact of the Ségur de la Santé (€4.3m in sales over the half-year) and, at the same time, by the control of recruitment. It is also due to international activities, up by €2.8m on 2022, benefiting from a rebound in sales (+10%) and a structural adjustment. This international performance was achieved thanks to new pharmacy contracts, the roll-out of new doctors' sites in Scotland and projects for the Ministry of Defence. The ROI(1) of the Division's other companies fell by €2.2 million compared with 2022, impacted by the postponement to the second half of commissioning work in connection with Ségur de la Santé in the Pharmacy segment in France, and by production start-up delays in the Insurance segment.

**Flow**

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

16%

Of 1H 2023 Group revenue

See section 2.2.1.2

<i>In millions of euros</i>	06/30/2023	06/30/2022	% Change	€m Change
Revenue	48.2	45.2	6.7%	3.0
Recurring operating income⁽¹⁾	5.6	6.3	(10.8)%	(0.7)
<i>Recurring operating margin⁽¹⁾</i>	<i>11.7%</i>	<i>14.0%</i>		
<i>Other non-recurring operating income and expenses⁽¹⁾</i>	<i>(0.3)</i>	<i>0.0</i>	<i>-</i>	<i>(0.3)</i>
Operating income	5.3	6.3	(15.6)%	(1.0)
<i>Operating margin</i>	<i>11%</i>	<i>14%</i>		

Revenue: Sales rose by 6.7%, driven by Cegedim e-business (digitisation of processes and data exchanges), whose activities in France and abroad grew by 6% and 18% respectively. At the same time, third-party payment services grew by 5.5%.

Recurring operating income⁽¹⁾: The fall in operating income(1) is mainly due to the fact that, since 1 April, the Allianz third party payment contract has been invoiced as part of the BPO services.



18%

Of 1H 2023 Group revenue

See section 2.2.1.3

Data & Marketing

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

In millions of euros	06/30/2023	06/30/2022	% Change	€m Change
Revenue	54.9	50.0	9.9%	4.9
Recurring operating income⁽¹⁾	6.6	6.1	8.2%	0.5
<i>Recurring operating margin⁽¹⁾</i>	<i>11.9%</i>	<i>12.1%</i>		
Other non-recurring operating income and expenses ⁽¹⁾	0.5	(0.1)	463.1%	0.6
Operating income	7.1	5.9	19.2%	1.1
<i>Operating margin</i>	<i>13%</i>	<i>12%</i>		

Revenue: the marketing and data businesses contribute positively to the division's sales growth compared with 2022, by 8.9% and 10.7% respectively.

Recurring operating income⁽¹⁾: Growth in the division's Recurring operating income⁽¹⁾ was 8.2% compared with 2022, driven in particular by the data business in France and digital communications for pharmacies.



10%

Of 1H 2023 Group revenue

See section 2.2.1.4

BPO

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

In millions of euros	06/30/2023	06/30/2022	% Change	€m Change
Revenue	32.8	25.4	29.3%	7.4
Recurring operating income⁽¹⁾	1.4	1.0	34.4%	0.4
<i>Recurring operating margin⁽¹⁾</i>	<i>4.2%</i>	<i>4.0%</i>		
Other non-recurring operating income and expenses ⁽¹⁾	0.0	(0.1)	100.0%	0.1
Operating income	1.4	1.0	4.3%	0.4
<i>Operating margin</i>	<i>4%</i>	<i>4%</i>		

Revenue: Sales of benefits management services for health and provident insurers jumped by over 40% in the first half, boosted by the launch of the Allianz contract on 1 April 2023. The human resources BPO business also continued to expand, with first-half sales growth of 9.4%.

Recurring operating income⁽¹⁾: These business lines are benefiting from productivity gains, thanks in particular to the automation of management processes, which are contributing to the improvement in operating profit⁽¹⁾, up 34% over the period. As expected, the Insurance BPO's ROC⁽¹⁾, impacted by the start-up of the Allianz contract, fell slightly over the period.

The "Corporate and Others" division is presented in section 2.2.1.5.

1.5 | Executives and supervisory bodies, statutory auditors

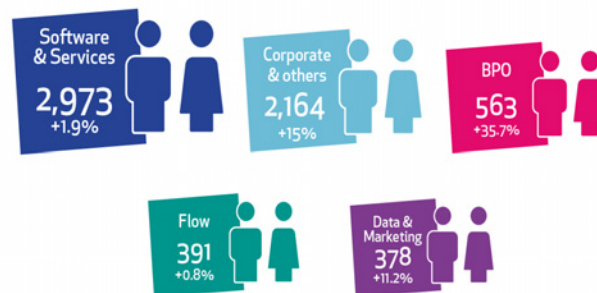


As of this Interim Financial Report's publication date.

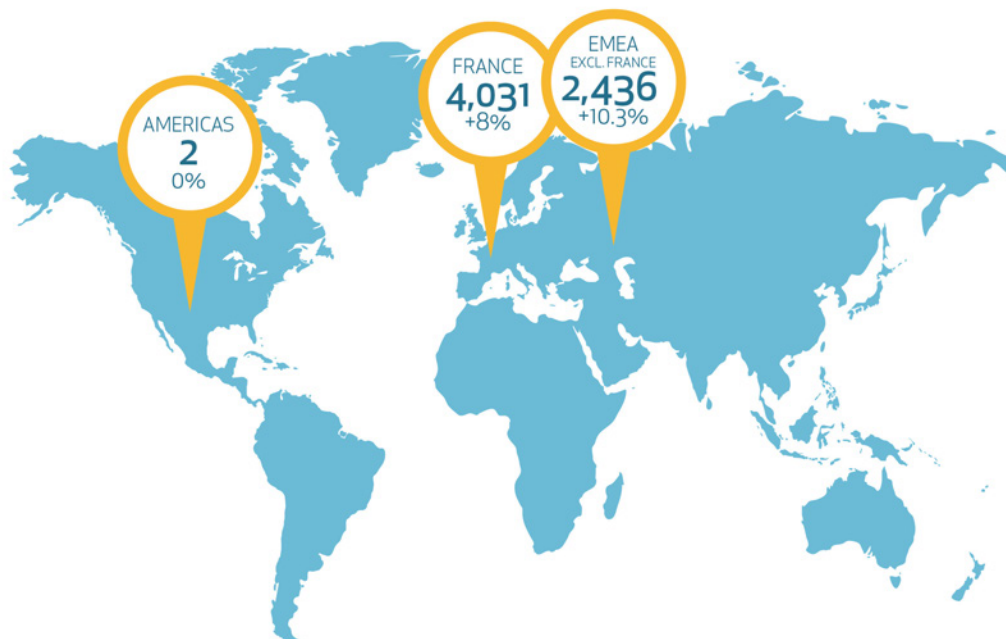
1.6 | Employees as June 30, 2023

6,469 | + 9%
Employees

26.9%
% offshores Employees



Employees by division



Employees by country

% = Change from June 2022

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, 2023

Cegedim shares rose by 47% in the first half of 2023.

the closing price at the end of June 2023 was €21.40.

On June 28, the closing price reached its highest level at €22.20 and its lowest level on January 2, 2023 at €15.00.



Sharholder contacts

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Group Management Control Director

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Email: j.moreau@cegedim.com

Stock market performance over the past four years

Jan - Jun		2020	2021	2022	2023
Closing price	€	28,70	24,60	21,80	21,40
Average for the period	€	27,49	24,72	24,21	18,53
High for the period	€	31,95	27,70	28,90	22,20
Low for the period	€	19,12	22,50	20,00	15,00
Market capitalization	€m	401,7	344,3	305,1	299,5
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 half year 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.

Financial communication policy

Straightforward, transparent, and clear.

2023 Financial calendar

October 26 after market close: Q3 2023 revenues.

1.8 | Cegedim's Equity story



- Solid business model
- Innovation is our Motto
- Entrepreneurial culture
- Long-standing shareholder support



- Strong market position
- Strong recurring revenue base
- Stable customer base
- A unique integrated healthcare ecosystem
- Offers in SaaS mode



- Strengthening the synergies between our different offerings
- Operational and financial discipline



Accentuate our commitment to environmental protection, ethics and social responsibility



Our markets have solid growth prospects with, among others, the digitalization of the economy



Interim Activity Report

2.1 | Interim period highlights

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during H1 2023 that would materially alter the Group's financial situation.

War in Ukraine

The Group does not do business in Russia or Ukraine and has no assets exposed to those countries.

Tax

On February 21, 2018, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2015 and 2016. The audit resulted in a reassessment notice covering the use of tax-loss carryforwards, which the authorities disputed. On February 21, 2021, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2019 and 2020. That audit did not result in any additional reassessments.

After consultation with its lawyers and based on the applicable tax law and existing tax rulings, the Group believes that the tax authorities' proposed reassessment is unwarranted. Cegedim S.A. has appealed the decision and continues to explore its options for contesting the reassessment.

Over the first half of 2023, Cegedim S.A. continued to apply the disputed tax-loss carryforwards to its taxable earnings, bringing cumulative tax savings to €24.4 million at June 30, 2023.

Furthermore, as it is permitted to do under this process, in the first half of 2022 tax authorities issued Cegedim S.A. a notice of collection, in response to which the Group paid a total of €12.1 million in respect of tax loss carryforwards used through 2020 and a €0.4 million late payment penalty. The corresponding entry for these payments was not recognized in expenses, but rather as a tax receivable in the balance sheet, as the Company expects these sums to be repaid once the dispute has been resolved in its favor.

As a result, if Cegedim S.A. ultimately loses its appeal, it would have to record a tax charge of €24.4 million in its profit and loss statement, but it would only have to make a cash payment of €12.3 million for the share of taxes not yet paid.

In addition, in accordance with IFRS, Cegedim S.A. records in its consolidated financial statements a deferred tax asset in respect of its unused tax-loss carryforwards, which represents the future tax gain the company may yet realize. Note that the accounting entries related to deferred tax never have cash impact. Through December 31, 2022, deferred tax assets were unchanged at €20 million. At June 30, 2023, those assets amounted to €10.5 million owing to a €9.5 million downward adjustment recorded in deferred tax expenses in the consolidated profit and loss statements. In response to a recent tax ruling in July 2023, the Group opted for a more conservative assessment of the unrealized future gains from its remaining, disputed tax-loss carryforwards.

If Cegedim S.A. ultimately loses its appeal, the entirety of the deferred tax assets in the balancesheet at June 30, 2023, would have to be recorded as a €10.5 million charge in the profit and loss statements, with no cash outlay.

Cegedim S.A., in consultation with its attorneys, believes that it still has a solid case for dismissal of the reassessment, consistently with the position currently reflected in its financial statements. As a result, Cegedim is preparing to appeal the dispute to the administrative court, an effort which could take several years. Cegedim is confident in its chances of success and has not recorded any provisions in respect of the dispute.

The maximum amount of risk from the potential tax charges cited above is expected to remain constant at €34.9 million, but the breakdown could change: the €10.5 million deferred tax asset would decrease as tax savings are realized, incrementally increasing the €24.4 million already used.

The maximum potential cash payment, which came to €12.3 million at June 30, 2023, will continue to rise as future tax savings are realized, but could also decrease if the tax authorities issue additional notices of collection while the appeal is ongoing.

2.2 | H1 2023 business review

Operational Performance

€301.0 m Revenue H1 2022: €267.6 m H1 2021: €251.2 m	+ 12.5 % Growth rate reported ⁽²⁾ + 12.1 % Growth rate LFL ⁽¹⁾	3.6 % Group consolidated REBIT ⁽¹⁾ margin H1 2022: 2.5 % H1 2021: 4.5 %	+101 bps Growth rate ⁽²⁾
€10.7 m Recurring operating income (REBIT) ⁽¹⁾ H1 2022: €6.8 m H1 2021: €11.3 m	+57 % Growth rate ⁽²⁾	€ (0,6) EPS H1 2022: (0.4) € H1 2021: + 0.5 €	-50% Growth rate ⁽²⁾

Consolidated P&L

In millions of euros	06/30/2023	06/30/2022	% Change	30/06/2021
Revenue	301.0	267.6	12.5%	251.2
Purchase used	(147)	(13.5)	(9.1)%	(13.0)
External expenses	(66.4)	(58.2)	(14.0)%	(49.8)
Payroll costs	(163.6)	(149.4)	(9.5)%	(139.4)
Others operating income and expenses	(7.5)	(4.7)	(57.5)%	(5.9)
EBITDA⁽¹⁾	48.8	41.7	17.2%	43.1
EBITDA margin ⁽¹⁾	16.2%	15.6%	-	17.2%
Amortization and depreciation	(38.1)	(34.8)	(9.4)%	(31.8)
Recurring operating income⁽¹⁾	10.7	6.8	57.0%	11.3
Recurring operating margin ⁽¹⁾	3.6%	2.5%	-	4.5 %
Other non-recurring operating income and expenses ⁽¹⁾	(1.4)	(4.4)	68.2%	4.1
Operating income	9.3	2.5	278.8%	15.4
Operating margin	3.1%	0.9%	-	6.1 %
Financial result	(5.6)	(4.4)	(25.7)%	(5.5)
Total taxes	(12.4)	(3.5)	(255.2)%	(2.8)
Profit (loss)	(9.2)	(6.1)	21.5%	6.5
Net profit attributable to owners of the parent	(8.8)	(4.9)	(49.8)%	6.5
Recurring earnings per share ⁽¹⁾ (in euros)	(0.6)	(0.4)		+ 0.4
Earnings per share (in euros)	(0.6)	(0.4)		+ 0.5

(1) See Chapter 3 "Condensed Consolidated Interim Financial Report", Section 3.5, Note 2 on Alternative performance indicators and Note 5 "Segment reporting".

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

2.2.1 | Comments on the consolidated P&L

Revenue	+ 12.5 %	In € million	
€ 301.0 m	Reported	Consolidated Group revenue at 06/30/2022	267.6
	+ 12.1 %	Impact of disposals	0.0
	LFL ⁽¹⁾	Currency impacts	(0.7)
		Revenue excl. impacts at 06/30/2022	266.9
		Impact of acquisitions	1.7
		Software & Services contribution	15.3
		Flow contribution	3.1
		Data & Marketing contribution	4.4
		BPO contribution	7.4
		Corporate and others contribution	2.2
		Consolidated Group revenue at 06/30/2023	301.0

Sales rose by 33.5 million euros, or 12.5%, to 301.0 million euros in the first half of 2023, compared with 267.6 million euros in the first half of 2022. The scope of consolidation effect made a positive contribution of 0.7%, linked to the consolidation in Cegedim's accounts on June 30, 2022 of Kobus Tech, MesDocteurs, Laponi, Sedia and Clinityx.

The currency effect made a negative contribution of 0.3%, essentially linked to the British pound.

Like-for-like⁽¹⁾, revenue increased 12,1 % over the period.

Revenue growth rate by division				
In € million	H1 2023	H1 2022	Change LFL	Change reported
Software & Services	161.5	145.6	10.5%	10.9%
Flow	48.2	45.2	6.8%	6.7%
Data & Marketing	54.9	50	8.9%	9.9%
BPO	32.8	25.4	29.3%	29.3%
Corporate and others	3.5	1.3	160.9%	160.9%
Cegedim	301	267.6	12.1%	12.5%

All divisions made a positive contribution to Group Revenue, both Like-for-like⁽¹⁾ and on a reported basis.

Revenue breakdown

Breakdown by division

Changes in the contributions were as follows:

- The **Software & Services** division decreased by 0,8 point to 53.7 %;
- The **Flow** division decreased by 0.9 point to 16.0 %;
- The **Data et marketing** decreased by 0.4 point to 18.3 %
- The **BPO** division increased by 1.4 point à 10.9 %;
- The division **Corporate & others** increased by 0.7 point to 1.2 %.

Breakdown by geographic region

The relative contribution of:

- France remained stable at 89.5% vs 89.3% en juin 2022;
- EMEA (excl. France) remained stable at 10.5 %;
- The Americas remained stable at 0.1%.

Breakdown by currency

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

- The Euro remained stable at 91.5 %;
- The British pound increased by 0.1 point to 7.3 %;
- The other currencies decreased by 0.2 point at 1.2 %.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Purchases used

€ 14.7 m

As % of revenues

4.9 % in H1 2023

5.1 % in H1 2022

Purchases rose by 1.2 million euros, or 9.1%, to 14.7 million euros in first-half 2023, compared with 13.5 million euros in first-half 2022. They represented 4.9% of sales in first-half 2023, compared with 5.1% in first-half 2022. This increase is due to higher sales.

Externales
expenses

€ 66.4 m

As % of revenues

22.0 % in H1 2023

21.8 % in H1 2022

External expenses rose by 8.1 million euros, or 14.0%, to 66.4 million euros in the first half of 2023, compared with 58.2 million euros in the first half of 2022. They represented 22.0% of sales at June 30, 2023, compared with 21.8% at June 30, 2022. This increase reflects the greater use of external service providers, notably in connection with the Allianz contract, and the resumption of travel, events and advertising expenses after the Covid period.

Payroll costs

€ 163.6 m

As % of revenues

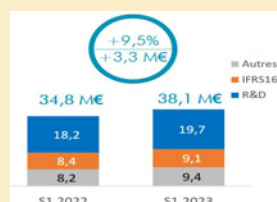
54.4 % in H1 2023

55.8 % in H1 2022

Payroll costs rose by 14.2 million euros, or 9.5%, to 163.6 million euros in first-half 2023, compared with 149.4 million euros in first-half 2022. This increase results from the full-year impact of recruitments made in the first half of 2022, recruitments made in the second half of 2022 and the first half of 2023, salary increases, and the inclusion in the workforce on April 1, 2023 of Allianz employees taken over under the Allianz contract (BPO Insurance).

Depreciation and
amortization
expenses

€ 38.1 m



Depreciation and amortization increased by 3.3 million euros, or 9.5%, to 38.1 million euros in first-half 2023, compared with 34.8 million euros in first-half 2022. R&D amortization rose by 1.5 million euros, or 8%, to 19.7 million euros in first-half 2023, compared with 18.2 million euros in first-half 2022. Lease depreciation (IFRS 16) rose by 9% to 9.1 million euros in first-half 2023 from 8.4 million euros in first-half 2022. Other depreciation and amortization rose by 1.1 million euros, or 14%, to 9.4 million euros in first-half 2023, compared with 8.2 million euros in first-half 2022.

Operating
Income

€ 9.3 m

As % of revenues

3.1% in H1 2023

0.9% in H1 2022

Operating income rose by 6.9 million euros to 9.3 million euros in the first half of 2023, compared with 2.5 million euros in the first half of 2022. It represented 3.1% of sales at June 30, 2023, compared with 0.9% at June 30, 2022. This increase is mainly due to the growth in sales, and to the control of purchases, external expenses, personnel costs and depreciation and amortization (as explained above).

Other non-recurring operating income and expenses⁽¹⁾ : € (1,4) m

Breakdown by type

In € million	06/30/2023	06/30/2022
Provisions and depreciations	-	-
Restructuring costs	(1.3)	(3.6)
Other non-recurring income and expenses	(0.1)	(0.8)
Other non-recurring operating income and expenses⁽¹⁾	(1.4)	(4.4)

Breakdown by division

In € million	06/30/2023	06/30/2022
Software & Services	(1.2)	(1.0)
Flow	(0.3)	0.0
Data & Marketing	0.5	(0.1)
BPO	0.0	(0.1)
Corporate and others	(0.4)	(3.2)
Other non-recurring operating income and expenses⁽¹⁾	(1.4)	(4.4)

Other non-recurring operating income and expenses⁽¹⁾ represented an expense of 1.4 million euros in the first half of 2023, compared with an expense of 4.4 million euros in the first half of 2022. The charge for the first half of 2023 is mainly attributable to 1.2 million euros in restructuring costs in the Software & Services division.

Recurring
operating
income⁽¹⁾
€ 10.7 m

As % of revenue.

3.6 % in H1 2023

2.5 % in H1 2022

Recurring operating income by Division

Software & services	€(2.0) m
Flow	€5.6 m
Data & Marketing	€6.6 m
BPO	€1.4 m
Corporate & Others	€(0.9) m
Cegedim	€ 10.7 m

Recurring operating income: up by 3.9 million euros to 10.7 million euros in the first half of 2023, compared with 6.8 million euros in 2022. This represents 3.6% of sales in 2023, compared with 2.5% in 2022. This increase is mainly due to improved results at Cegedim Santé and in the United Kingdom (with both healthcare professionals and insurers segments), as well as to the good performance of human resources, data and marketing activities.

EBITDA⁽¹⁾
€ 48.8 m

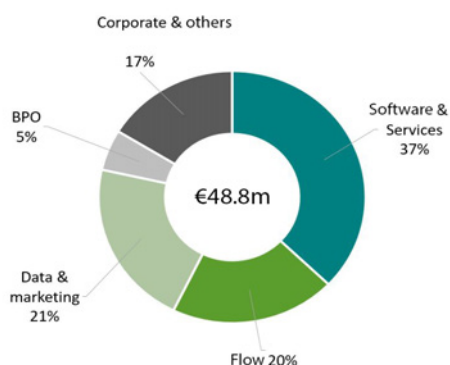
As % of revenue

16.2 % in H1 2023

15.6 % in H1 2022

The **EBITDA** of the Software & Services, Flow, Data & Marketing, BPO and Corporate & Other divisions generated 37.2%, 20.1%, 21.3%, 5.2% and 16.3% respectively of the Group's consolidated EBITDA⁽¹⁾ for the first half of 2023. (see review of financial position by division).

Breakdown by division



The **Software & Services**, **Flow**, **Data & Marketing**, **BPO** and **Corporate & Other** divisions generated 30.6%, 24.5%, 21.7%, 3.5% and 19.8% respectively of the Group's consolidated EBITDA⁽¹⁾ for the first half of 2023. (see review of financial position by division).

The **EBITDA⁽¹⁾** increased by 7.2 million euros, or 17.2%, to 48.8 million euros in the first half of 2023, compared with 41.7 million euros in the first half of 2022. It represented 16.2% of sales at June 30, 2023, compared with 15.6% in the first half of 2022. This performance is the result of revenue growth and a controlled increase in expenses.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Financial results: € (5.6) m

Financial results fell by 25.7% to a loss of 5.6 million euros in the first half of 2023, compared with a loss of 4.4 million euros in the first half of 2022. This increase mainly reflects the higher cost of gross financial debt, which rose from an expense of 4.2 million euros in the first half of 2022 to an expense of 5.6 million euros in the first half of 2023.

Tax expenses: € 12.4 m

Income tax expense amounted to 12.4 million euros in the first half of 2023, compared with 3.5 million euros in the first half of 2022. This increase is mainly due to a downward adjustment of the deferred tax asset of 9.5 million euros, booked under deferred tax expenses (see chapter 2.1 highlights of the year - Taxation).

Consolidated net profit: € (9.2) m

Consolidated net profit amounted to a loss of 9.2 million euros in the first half of 2023, compared with a loss of 6.1 million euros in the first half of 2022. This negative trend of 3.1 million euros reflects changes in operating income, other non-recurring operating income and expenses, net financial income and tax expense (see chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators).

Consolidated net profit attributable to the Group: € (8.8) m

After taking into account minority interests, **consolidated net profit** attributable to equity holders of the parent amounted to a loss of 8.8 million euros in the first half of 2023, compared with a loss of 4.9 million euros in the first half of 2022.

Earnings per share: € (0.6)

Earnings per share amounted to a loss of 0.6 euro in the first half of 2023, compared with a loss of 0.4 euro in the first half of 2022. **Current earnings per share⁽¹⁾** amounted to a loss of 0.6 euro in the first half of 2023, compared with a loss of 0.4 euro a year earlier.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

2.2.1.1 |



Software & services division

€ 161.5 m

Revenue

H1 2022: € 145.6 m

H1 2021: € 140.2 m

+ 10.9 %

Growth rate⁽¹⁾
reported

+ 10.5 %

Growth rate Like-for-
like⁽²⁾

(1.2) %

REBIT⁽²⁾ margin

H1 2022: (5.2) %

H1 2021: (1.4) %

+397 bps

Change⁽¹⁾

€ (2.0) m

Recurring
operating
income (REBIT)⁽²⁾

H1 2022: € (7.6) m

H1 2021: € (2.0) m

+ 73.5%

growth rate⁽²⁾

53.7 %

% of Group
consolidated
revenue

2 973

Workforce

In € million	06/30/2023	06/30/2022	% Change	30/06/2021
Revenue	161.5	145.6	10.9%	140.2
EBITDA ⁽²⁾	18.1	12.7	42.5%	19.6
EBITDA margin ⁽²⁾	11.2%	8.7%	249 bps	14.0 %
Depreciation	(20.2)	(20.3)	0.8%	(17.6)
Recurring operating income⁽²⁾	(2.0)	(7.6)	73.5%	2.0
Recurring operating margin ⁽²⁾	(1.2)%	(5.2) %	397 bps	1.4 %
Other non-recurring operating income and expenses ⁽²⁾	(1.2)	(1.0)	(21.3)%	(0.2)
Operating income	(3.2)	(8.6)	62.8%	1.8
Operating margin	(2.0) %	(5.9) %	391 bps	+1.3

Breakdown by geographic region

By geographic region, the contribution of:

- France climbed by 0,2 point to 83.7%;
- EMEA (Excl. France) decreased by 0,2 point to 16.2 %;
- the Americas remained stable at 0.1%.

Breakdown by currency

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

- The Euro is stable at 86.5%;
- The British pound increased by 0.2 point to 12.0%;
- The other currencies decreased by 0.1 point at 1.6%.

Revenue
€ 161.5 m

+ 10.9 %

Growth rate reported

+10.5 %

Like-for-like⁽²⁾

Revenues for the **Software & Services** division rose by 15.9 million euros, or 10.9%, to 161.5 million euros in the first half of 2023, compared with 145.6 million euros in the first half of 2022.

The 0.9%, or 1.2 million euro, favorable effect of changes in the scope of consolidation was due to the consolidation of MesDocteurs and Laponi in Cegedim's accounts on June 30, 2023. The unfavorable currency translation effect of 0.6 million euros, or 0.5%, was mainly due to the pound sterling.

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

(2) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Recurring Operating Income (REBIT) ⁽¹⁾ €(2.0) m	Margin ⁽¹⁾ (1.2) % in 1H 2023 (5.2) % in 1H 2022
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Recurring operating Income closed the first half of 2023 with a loss of €2.0 million, down €5.6 million on the €7.6 million loss a year earlier. This improvement stems, on the one hand, from Cegedim Santé (REBIT up €4.9 million) in line with the sustained level of activity and good control of hiring, and, on the other hand, from international activities (REBIT up €2.8 million), due to the rebound in sales and an adaptation of structural costs. The REBIT of the Division's other companies fell by €2.2 million compared with 2022. The good performance of HR solutions was masked by production start-up delays in the Insurance segment, and by the second-half impact of the Ségur de la Santé agreement on the Pharmaceuticals segment in France.

Depreciation and amortization €(20.2) m	Growth (0.8) %
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Depreciation and amortization fell by 0.2 million euros, or 0.8%, to 20.2 million euros in the first half of 2023, compared with 20.3 million euros in the first half of 2022.

2.2.1.2 |



Flow Division

€48.2 m

Revenues

1H 2022: €45.2 m

1H 2021: €41.7 m

+ 6.7 %Growth rate⁽¹⁾
reported**+ 6.8 %**Growth rate Like-for-
like⁽²⁾**11.7 %**REBIT Margin⁽¹⁾

1H 2022: 14.0 %

1H 2021: 10.5 %

(229) bpsChange⁽²⁾**€5.6 m**Recurring
operating
income (REBIT)⁽²⁾

1H 2022: €6.3 m

1H 2021: €4.4 m

(10.8) %Growth rate⁽²⁾**16.0 %**% of Group
consolidated
revenue**391**

Workforce

In € million	06/30/2023	06/30/2022	% Change	06/30/2021
Revenue	48.2	45.2	6.7 %	41.7
EBITDA ⁽²⁾	9.8	10.2	(3.8) %	7.9
EBITDA margin ⁽²⁾	20.3%	22.5%	(221) bps	19.0 %
Depreciation	(4.2)	(3.9)	(7.7) %	(3.5)
Recurring operating income⁽²⁾	5.6	6.3	(10.8) %	4.4
Recurring operating margin ⁽²⁾	11.7%	14.0%	(229) bps	10.5 %
Other non-recurring operating income and expenses ⁽²⁾	(0.3)	0.0	-	(0.2)
Operating income	5.3	6.3	(15.6) %	4.2
Operating margin	11.1%	14.0%	(292) bps	10.0 %

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

(2) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Breakdown by geographic region

By geographic region, the contribution of:

- France decreased by 0.8 point to 91.8 %;
- EMEA (Excl. France) climbed by 0.8 point to 8.2 %.

Revenue
€48.2 m

+ 6.7 % Reported
+ 6.8 % Like-for-like⁽¹⁾

Recurring
Operating Income
(REBIT)⁽¹⁾
€5.6 m

Margin⁽¹⁾
11.7 % in 1H 2023
14.0 % in 1H 2022

Depreciation and
amortization
€(4.2) m

Growth
(7.7) %

Breakdown by currency

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

- Euro decreased by 1.0 point to 94.6 %;
- The British pound climbed by 1.0 point to 5.4%.

Revenues for the **Flow** division rose by 3.0 million euros, or 6.7%, to 48.2 million euros in the first half of 2023, compared with 45.2 million euros in the first half of 2022. There was no scope of consolidation effect and virtually no currency translation effect.

The business of digitizing processes and exchanging dematerialized data is growing strongly in France. The clear upturn in business in Germany and the UK observed in the first quarter continued in the second. The flow of data linked to the reimbursement of healthcare expenses in France also grew over the half-year.

Recurring operating income fell by 0.7 million euros, or 10.8%, to 5.6 million euros in first-half 2023 from 6.3 million euros in first-half 2022. It represented 11.7% of the revenue at June 30, 2023, compared with 14.0% at June 30, 2022. The fall in operating income is mainly due to the fact that, since April 1, the Allianz third-party payment contract has been invoiced as part of BPO services.

Depreciation and amortization expense rose by 0.3 million euros, or 7.7%, to 4.2 million euros in first-half 2023, compared with 3.9 million euros in first-half 2022.

This increase mainly reflects:

- a 0.4 million euro increase in R&D amortization to 3.0 million euros at June 30, 2023, compared with 2.7 million euros at June 30, 2022;
- and virtually stable other amortization charges.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

2.2.1.3 |



Data & Marketing Division

€54.9 m

Revenues

1H 2022: €50.0 m

1H 2021: €44.8 m

+9.9 %

Growth rate⁽²⁾
reported

+8.9 %

Growth rate Like-for-
like⁽¹⁾

11.9 %

REBIT Margin

1H 2022: 12.1 %

1H 2021: 11.8 %

(18) bps

Change⁽²⁾

€6.6 m

Recurring
operating
income (REBIT)⁽¹⁾

1H 2022: €6.1 m

1H 2021: €5.3 m

+8.2 %

Growth rate⁽²⁾

18.3 %

% of Group
consolidated
revenue

378

Workforce

In € million	06/30/2023	06/30/2022	% Change	06/30/2021
Revenue	54.9	50.0	9.9%	44.8
EBITDA ⁽¹⁾	10.4	9.0	14.9%	8.0
EBITDA margin ⁽¹⁾	18.9%	18.1%	83 bps	17.8 %
Depreciation	(3.8)	(3.0)	(28.5)%	(2.7)
Recurring operating income⁽¹⁾	6.6	6.1	8.2%	5.3
Recurring operating margin ⁽¹⁾	11.9%	12.1%	(18) bps	11.8 %
Other non-recurring operating income and expenses ⁽²⁾	0.5	(0.1)	463.1%	0.0
Operating income	7.1	5.9	19.2%	5.3
Operating margin	12.9%	11.8%	100 bps	11.8 %

Breakdown by geographic region

By geographic region, the contribution of:

- France decreased by 0.2 point to 97.4%
- EMEA (Excl. France) climbed by 0.2 point to 2.6%.

Breakdown by currency

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

- Euro climbed by 0.2 point by 97.8%
- The other currencies decreased by 0.2 point to 2.2%.

Revenue

€54.9 m

+9.9 %

Growth rate reported

+8.9 %

Growth rate Like-for-
like⁽¹⁾

Revenue for the **Data & Marketing** division rose by 4.9 million euros, or 9.9%, to 54.9 million euros in the first half of 2023, compared with 50.0 million euros in the first half of 2022. The favorable scope of consolidation effect of 0.5 million euros, or 1%, relates to the consolidation of Clinityx in the accounts. There were no currency translation effects.

The marketing and data businesses will contribute positively to the division's revenue growth compared with 2022, by 8.9% and 10.7% respectively. The data business in France and the digital communication business in pharmacies in France continue to grow strongly.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

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

Recurring Operating Income (REBIT) ⁽¹⁾ €6.6 m	Margin ⁽¹⁾ 11.9% in 1H 2023 12.1% in 1H 2022
--	---

Recurring operating Income⁽¹⁾ rose by 0.5 million euros, or 8.2%, to 6.6 million euros in first-half 2023, compared with 6.1 million in first-half 2022. It represented 11.9% of sales in first-half 2023, compared with 12.1% in first-half 2022.

Each of the division's businesses contributed to the improvement in profitability.

Depreciation and amortization €(3.8) m	Growth 28.7 %
---	-------------------------

Depreciation and amortization increased by 0.8 million euros, or 27.8%, to 3.8 million euros in first-half 2023 from 3.0 million euros in first-half 2022.

This increase mainly reflects:

- R&D amortization up by 0.2 million euros, or 30.4% (0.8 million euros at June 30, 2023 vs. 0.6 million euros at June 30, 2022), and other amortization up by 0.7 million euros, or 35.8% (2.5 million euros at June 30, 2023 vs. 1.9 million euros at June 30, 2022).

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators

2.2.1.4 |



BPO Division

€32.8 m

Revenue

1H 2022: €25.4 m

1H 2021: €22.9 m

29.3 %Growth rate⁽²⁾
reported**29.3 %**Growth rate Like-for-
like⁽¹⁾**4.2 %**REBIT Margin⁽¹⁾

1H 2022: 4.0%

1H 2021: (7.2) %

+ 16 bpsChange⁽²⁾**€1.4 m**Recurring
operating
income (REBIT)⁽¹⁾

1H 2022: €1.0 m

1H 2021: €(1.6) m

+34.4 %Growth rate⁽²⁾**10.9 %**% of Group
consolidated
revenue**563**

Workforce

In € million	06/30/2023	06/30/2022	% Change	06/30/2021
Revenue	32.8	25.4	29.3%	22.9
EBITDA ⁽¹⁾	2.6	1.5	75.1%	0.1
EBITDA margin ⁽¹⁾	7.8%	5.8%	204 bps	0.2 %
Depreciation	(1.2)	(0.4)	(170.2)%	(1.7)
Recurring operating income⁽¹⁾	1.4	1.0	34.4%	(1.6)
Recurring operating margin ⁽¹⁾	4.2%	4.0%	16 bps	(7.2) %
Other non-recurring operating income and expenses ⁽²⁾	0.0	(0.1)	100.0%	0.0
Operating income	1.4	1.0	41.3%	(1.6)
Operating margin	4.2%	3.8%	36 bps	(7.2) %

Breakdown by geographic region

By geographic region, the contribution has not changed compared to 2022. France remained stable at 100 %.

Breakdown by currency

by currency, the breakdown has not changed compared to 2022. Euro represented 100 %.

Revenue
€32.8 m**+ 29.3 %**

Growth rate reported

+ 29.3 %Growth rate Like-for-
like⁽³⁾

Revenue in the **BPO** division rose by 7.4 million euros, or 29.3%, to 32.8 million euros in the first half of 2023, compared with 25.4 million euros in the first half of 2022.

There was no impact from changes in the scope of consolidation or currency translation. Revenue of services provided to insurance companies surged by over 40% in the first half, boosted by the launch of the Allianz contract on April 1, 2023. The human resources BPO business also continued to expand, with first-half sales up 9.4%.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

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

(3) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Recurring
operating
income⁽¹⁾
€1.4 m

Margin⁽¹⁾
4.2 % in 1H 2023
4.0 % in 1H 2022

Depreciation and
amortization
expenses
€(1.2) m

Growth rate
(74.2) %

Recurring operating Income rose by 0.4 million euros to a profit of 1.4 million euros in first-half 2023, compared with a profit of 1.0 million euros in first-half 2022.

The Division's REBIT rose slightly by 0.4 million euros over the period. Costs incurred in connection with the Allianz contract start-up partly offset productivity gains achieved in other activities, thanks in particular to the automation of management processes.

Depreciation and amortization increased by 0.7 million euros to 1.2 million euros in the first half of 2023, compared with 0.4 million euros in the first half of 2022. This increase mainly reflects a 0.6 million euro rise in R&D amortization (0.8 million euros at June 30, 2023 vs. 0.2 million euros at June 30, 2022).

2.2.1.5 |



Corporates and others

€3.5 m Revenue 1H 2022: €1.3 m 1H 2021: €1.5 m	+160.9 % Growth rate ⁽²⁾ reported + 160.9 % Growth rate Like-for-like ⁽¹⁾	(24.7)% REBIT Margin ⁽¹⁾ 1H 2022: 74.5 % 1H 2021: 82.6 %	n.s. Growth rate ⁽²⁾
€(0,9) m Recurring operating income (REBIT) ⁽¹⁾ 1H 2022: €1.0 m 1H 2021: €1.2 m	n.s. Growth rate ⁽²⁾	1.2 % % of Group consolidated revenue	2164 Workforce

In € million	06/30/2023	06/30/2022	% Change	06/30/2021
Revenue	3.5	1.3	160.9%	1.5
EBITDA ⁽¹⁾	7.9	8.2	(3.7)%	7.6
EBITDA margin ⁽¹⁾	226.7%	613.8%	(38716) bps	501.1 %
Recurring operating income	(8.8)	(7.2)	(21.6)%	(6.3)
Recurring operating income⁽¹⁾	-0.9	1.0	(186.7)%	1.2
Recurring operating margin ⁽¹⁾	(24.7)%	74.5%	(9921) bps	82.6 %
Other non-recurring operating income and expenses ⁽¹⁾	(0.4)	(3.2)	87.4%	4.5
Operating income	(1.3)	(2.2)	42.2%	5.8
Operating margin	(36.3)%	(163.7)%	12743 bps	382,3 %

Recurring operating income (REBIT) €(0.9) m	Margin ⁽¹⁾ (24.7) % in 1H 2023 (74.5) % in 1H 2022
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REBIT⁽¹⁾ for the first half of 2023 showed a loss of 0.9 million euros, down 1.9 million euros on the first half of 2022. As explained at the time of the 2022 results presentation, this decline is due to the harmonization of central service re-invoicing methods, notably for R&D and information systems, as well as to a lower margin rate for offshore centers.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

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

2.2.2 | Financial structure as of June 30, 2023

In € million	Note	06/30/2023	12/31/2022	% change
Asset				
Goodwill		199.6	198.8	0.4%
Intangible fixed assets		197.6	188.1	5.1%
Tangible assets	a	134.8	131.0	2.9%
Financial assets	b	21.9	20.7	5.9%
Other non-current assets	c	42.5	51.0	(16.6)%
Total non-current assets		596.5	589.5	1.2%
Trade receivables – short-term portion		169.7	151.8	11.9%
Cash & cash equivalents		27.9	55.6	(49.8)%
Other current assets	d	106.0	93.1	13.8%
Total current assets		303.6	300.4	1.1%
Total assets		900.1	889.9	1.1%
Liabilities				
Long-term financial debt	e	186.8	188.9	(1.1)%
Other non-current liabilities	f	113.0	109.8	2.9%
Total non-current liabilities		299.8	298.7	0.4%
Short-term financial debt	e	7.4	3.9	91.8%
Other current liabilities	d & g	296.1	283.2	4.6%
Total current liabilities		303.5	287.1	5.7%
Total liabilities		603.3	585.8	3.0%
Shareholders' equity	h	296.7	304.1	(2.4)%
Total liabilities and shareholders' equity		900.1	889.9	1.1%

a) Including rights of use for 88.2 million euros at June 30, 2023 and 89.0 million euros at December 31, 2022.

b) Excluding investments in associates.

c) Including deferred taxes for 13.1 million euros at June 30, 2023 and 24.2 million euros at December 31, 2022.

d) Including sums managed on behalf of mutual insurers under delegated management contracts with the Group for 46 million euros at June 30, 2023 and 36 million euros at December 31, 2022.

e) Long-term and short-term financial debt includes profit-sharing in the amount of 7.6 million euros at June 30, 2023 and 7.8 million euros at December 31, 2022.

f) Including IFRS 16 debt for 75.2 million at June 30, 2023 and 75.9 million at December 31, 2022.

g) Including "tax and social security liabilities" for 110.1 million euros at June 30, 2023 and 112.3 million euros at December 31, 2022, i.e. VAT, profit-sharing in France, provisions for vacation pay, social security contributions in France, insurance cover in France and bonuses. Also including IFRS 16 debt for 16.1 million at June 30, 2023 and 15.9 million at December 31, 2022.

h) Including minority interests of 18.5 million euros at June 30, 2023 and 19.0 million euros at December 31, 2022. This growth results from the acquisition of minority stakes in Cegedim Santé by 3 social protection groups.

2.2.2.1 | Comments on the Group's financial position as of June 30, 2023

Consolidated total balance sheet €900.1 m

The **consolidated balance** sheet total stood at 900.1 million euros at June 30, 2023, up by 10.1 million euros or 1.1% on December 31, 2022. This increase mainly reflects the 18.0 million euro increase in trade receivables, and the 27.7 million euro decrease in cash and cash equivalents.

Goodwill €199.6 m

Goodwill represented €199.6 million at June 30, 2023, compared with €198.9 million at end-December 2022. The €0.8 million increase is mainly due to two opposing effects: (i) on the one hand, a reduction of €0.7 million corresponding to the allocation of goodwill linked to the acquisitions concluded in France in the first half of 2022, namely Mes Docteurs (24/7 telemedicine solution) and Laponi (HR solution for absenteeism management), and (ii) on the other hand, an increase of €1.2 million linked to currency translation differences, as well as an increase of €0.3 million in deferred taxes due in particular to the increase in the UK tax rate. Goodwill represented 22.2% of the balance sheet total at June 30, 2023, compared with 22.3% at December 31, 2022.

Intangible assets €197.6 m

Intangible assets rose by 9.5 million euros in net value, or 5.1%, to 197.6 million euros at June 30, 2023, compared with 188.1 million euros at December 31, 2022, mainly reflecting the 28.5 million euro increase in R&D capitalized over the period, offset by 19.0 million euros in R&D amortization over the period. Intangible assets represented 22.0% of the balance sheet total at June 30, 2023, compared with 21.1% at December 31, 2022.

Tangible assets €134.8 m

Tangible assets rose by 3.8 million euros, or 2.9%, to 134.8 million euros at June 30, 2023 from 131.0 million euros at December 31, 2022, mainly reflecting the 4.5 million euro increase in other property, plant and equipment. Property, plant and equipment represented 15.0% of the balance sheet total at June 30, 2023, compared with 14.7% at December 31, 2022.

Trade receivables €169.7 m

Trade receivables rose by 18.0 million euros, or 11.9%, to 169.7 million euros at June 30, 2023, compared with 151.8 million euros at December 31, 2022. All trade receivables are due in less than one year. This increase is mainly due to the rise in Revenue. They represented 18.9% of the balance sheet total at June 30, 2023, compared with 17.1% at December 31, 2022.

Shareholders' equity €296.7 m

Shareholders' equity fell by 7.4 million euros, or 2.4%, to 296.7 million euros at June 30, 2023, compared with 304.1 million euros at December 31, 2022. This change reflects a 13.9 million euro increase in Group reserves, offset by a 22.4 million euro decline in Group income and a 1.5 million euro drop in Group translation reserves. Minority interests stood at 18.5 million euros at June 30, 2023, stable compared with December 31, 2022. Shareholders' equity represented 33.0% of the balance sheet total at June 30, 2023, compared with 34.2% at December 31, 2022.

2.2.2.2 | Comments on net financial debt as of June 30, 2023

Net financial debt ⁽¹⁾				
In € million	Note	06/30/2023	31/12/2022	% Change
Long-term financial debt		186.8	188.9	(1.11)%
Short-term financial debt		7.4	3.9	92.01%
Gross debt		194.2	192.8	0.75%
Cash & cash equivalents		27.9	55.5	(49.73)%
Net financial debt excluding IFRS 16 debt		166.3	137.3	21.16%
IFRS 16 debt		91.3	91.8	(0.54)%
Net financial debt	f	257.6	229.1	12.46%
Equity	g	296.7	304.1	(2.44)%
Gearing	h=f/g	0.9	0.8	-
EBITDA ⁽¹⁾ LTM	i	83.1	96.2	(13.60)%
Leverage ratio	f/i	3.1	2.4	-

(h) Net debt to equity ratio.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

Cegedim's principal financing arrangements by maturity

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. As of June 30, 2022, 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, 2022.

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 €194.2 m

Total financial liabilities rose by 1.4 million euros, or 0.7%, to 194.2 million euros at June 30, 2023, compared with 192.8 million euros at December 31, 2022. This increase is mainly due to the rise in accrued interest on borrowings for 3.5 million euros.

- **Long-term financial debt** fell by 2.1 million euros, or 1.1%, to 186.8 million euros at June 30, 2023, compared with 188.9 million euros at December 31, 2022. Long-term debt includes the current portion of the employee profit-sharing liability for a total of 6.1 million euros at June 30, 2023, compared with 6.4 million euros at December 31, 2022.
- **Short-term financial debt** rose by 3.5 million euros, or 91.8%, to 7.4 million euros at June 30, 2023, compared with 3.9 million euros at December 31, 2022. Short-term debt includes the current portion of the employee profit-sharing liability for a total of 1.5 million euros at June 30, 2023, compared with 1.4 million euros at December 31, 2022.

Cash and equivalents €27.9 m

Cash and cash equivalents stood at 27.9 million euros at June 30, 2023, down 27.7 million euros on December 31, 2022. This decrease is due to the fall in net income and the increase in investment flows, despite a rise in cash flow from operating activities (+27.5 million euros at June 30, 2023). Cash and cash equivalents represented 3.1% of the total balance sheet at June 30, 2023, compared with 6.2% at December 31, 2022.

Net financial debt⁽¹⁾ €166.3 m

Total net financial debt amounted to 166.3 million euros, up 29.0 million euros on six months ago. They represented 56.0% of shareholders' equity at June 30, 2023, compared with 45.1% at December 31, 2022. Long- and short-term debt includes employee profit-sharing liabilities totalling 7.7 million euros.

Lease liabilities €91.4 m

Lease liabilities fell by 0.5 million euros, or 0.5%, to 91.4 million euros at June 30, 2023, compared with 91.8 million euros at December 31, 2022. 75.2 million euros are classified as non-current debt and 16.1 million euros as current debt. As a result, the Group's total net debt stood at 257.7 million euros at June 30, 2023, compared with 229.0 million euros at December 31, 2022.

Off-balance sheet commitments

Cegedim S.A. provides guarantees and sureties in connection with its subsidiaries' financial or operating obligations in the normal course of business. See note 16.2 in section 3.6 of chapter 3.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators

2.2.3 | Summarized consolidated cash flow statement as of June 30, 2023

Cash-flow statement		
In € million	06/30/2023	06/30/2022
Cash flow from operating activities before tax paid and taxes	45.9	37.4
Tax paid	(0.4)	(15.9)
Change in working capital ⁽¹⁾	(18.0)	(18.5)
Free cash from (used in) operating activities	27.5	3.0
Net cash from (used in) investing activities	(40.3)	22.9
Net cash from (used in) financing activities	(14.4)	(10.9)
Total cash flows excluding currency impact	(27.2)	15.0
Change due to exchange rate movements	(0.5)	(0.1)
Change in cash	(27.7)	+14.9
Net cash at the beginning of the period	39.0	24.2
Net cash at the end of the period	27.9	39.0

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

Operational Free cash flow ⁽¹⁾		
In € million	06/30/2023	06/30/2022
Net cash from operating activities	27.5	3.0
Acquisitions of intangible assets	(29.6)	(28.0)
Acquisitions of tangible assets	(11.8)	(8.1)
Disposal of intangible assets and tangible assets	2.6	0.0
Free cash flow from operation⁽¹⁾	(11.3)	(33.0)

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

2.2.3.1 | Comments on the cash flow statement as of June 30, 2023

Net cash flow from operating activities €27.5 m

Cash flow from operating activities increased by 24.5 million euros to 27.5 million euros at June 30, 2023, compared with 3.0 million euros at June 30, 2022. This improvement reflects business trends, the base effect linked to the impact on 2022 figures of taxes paid (negative impact of 12.5 million euros linked to the recovery of taxes expected to be reimbursed at the end of the litigation), and the downward adjustment of 9.5 million euros booked as deferred tax expenses in the consolidated financial statements (see the note on taxation in "Significant events of the year" in section 2.1).

Change in working capital €(18.0) m

The change in working capital requirement was stable at 18.0 million euros at June 30, 2023, compared with 18.5 million euros at June 30, 2022.

Net cash flow used in investing activities €(40.3) m

Cash outflows from investing activities increased by 63.1 million euros, to 40.3 million euros at June 30, 2023, compared with an inflow of 22.9 million euros at June 30, 2022. The change compared with June 2022 is mainly due to Cegedim Santé's capital increase of 65 million euros, subscribed by 3 social protection groups on May 16, 2022.

Net cash flow used in financing activities €(14.4) m

Cash flow from financing activities rose by 3.5 million euros to 14.4 million euros at June 30, 2023, compared with 10.9 million euros at June 30, 2022. This increase reflects higher repayments of lease obligations (1.5 million euros) and interest expense on lease obligations (0.8 million euros).

Change in net cash €(27.7) m

Changes in cash flow from operating, investing and financing activities resulted in a negative cash flow variation of 27.7 million euros at June 30, 2023, including a negative impact of 0.5 million euros from exchange rate fluctuations.

Free cash flow from operations⁽¹⁾ €(11.3) m

Free cash flow from operations was 11.3 million euros at June 30, 2023, compared with 33.0 million euros at June 30, 2022, an improvement of 21.8 million euros, as a result of all the factors described above.

(1) See chapter 3 "Condensed consolidated interim financial statements" section 3.5 Note 2 on alternative performance indicators.

2.3 | Investment policy

Investment policy

Cegedim's investment policy is designed to support and amplify the Group's growth potential in its markets:

- financial investments (asset acquisitions or disposals)
- operating investments (organic growth).

2.3.1 | Financial investments

Acquisitions made in the first half of 2023

No acquisitions were made in the first half of 2023.

2.3.2 | Operating investments

Capital expenditures excluding acquisitions / disposals **€40.7 m**

Capital expenditure, excluding acquisitions and disposals, was up on previous years. Historically, this mainly concerns capitalized R&D costs and maintenance investments. Capitalized R&D costs are deducted from personnel costs and external charges. The remainder of R&D expenditure is expensed in the year in which it is incurred. Approximately half of R&D expenditure is capitalized in accordance with IAS 38.

There are no capital expenditure commitments. Flexibility is maintained in order to adjust, from time to time, the level of capital expenditure in line with Cegedim's business needs.

At June 30, 2023, **capital expenditure** rose by 5.2 million euros, or 14.8%, to 40.7 million euros at June 30, 2023, compared with 35.4 million euros at June 30, 2022. These capital expenditures break down into 28.7 million euros of capitalized R&D at June 30, 2023, compared with 28.0 million euros at June 30, 2022, and 12.0 million euros of maintenance investment at June 30, 2023, compared with 7.8 million euros at June 30, 2022.

2.4 | Related party transactions

Related party transactions

A description of transactions with related parties can be found in chapter 4, point 4.6, note 19 page 149 and in chapter 9 point 9.2.5 page 287 of Cegedim's 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 12, 2023 under number D.23-0266. During the first six months of 2023, Cegedim has not identified any other significant transactions with related parties.

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

Main risks and uncertainties

The main risks and uncertainties that the Cegedim Group may face in the second half of 2023 are set out in chapter 7 "Risk management" of the 2022 Universal Registration Document.

2.6 | Events after June 30, 2023

To the best of the company's knowledge, there have been no events or changes subsequent to June 30, 2023 that would be likely to have a material impact on the Group's financial position.

2.7 | Outlook

Outlook 2023 published on January 26, 2023

The Group anticipates revenue growth in 2023 of between 5% and 8% compared with 2022.

Outlook 2023 published on March 23, 2023

Despite global economic, geopolitical and monetary uncertainties, the Group is confident in its ability to pursue growth. On the basis of currently available data, the Group anticipates organic sales growth in 2023 of around 10% compared with 2022. Operating income before non-recurring items is set to rise, with the first returns from investments in Cegedim Santé and international activities.

Outlook 2023 published on April 27, 2023

With organic revenue growth of 12.2% in the first quarter of 2023, and despite health, economic, geopolitical and monetary uncertainties around the world, the Group is confident in its ability to achieve annual organic revenue growth of at least 10%.

Outlook 2023 published on 27 July 2023

With organic revenue growth of 12.1% in the first half of 2023, and despite health, economic, geopolitical and monetary uncertainties around the world, the Group is confident in its ability to achieve annual organic revenue growth of at least 10% and an increase in recurring operating income.

Outlook 2023 published on 20 September 2023

Despite economic, geopolitical and monetary uncertainties around the world, the Group is confident in its ability to continue growing. On the basis of currently available data, the Group anticipates annual organic growth in its 2023 revenue of at least 10% compared with 2022. Recurring operating income will trend upwards, with in particular the first returns on the investments made in Cegedim Santé and international activities.

Notice

The data presented above includes information on Cegedim's future financial performance objectives. This forward-looking information is based on the opinions and assumptions of the Group's management at the date of this document and involves risks and uncertainties. For more information on the risks affecting Cegedim, please refer to Chapter 7 "Risk management", point 7.2 "Risk factors" of the Universal Registration Document 2022 filed with the AMF on 12 April 2023 under number D.23-0266.



Condensed Consolidated Interim Financial Report

3.1 | Consolidated balance sheet

Consolidated assets

In thousands of euros	Note	06/30/2023 Net	12/31/2022 Net
Goodwill on acquisition	9.1	199,628	198,761
Development costs		31,628	3,081
Other intangible fixed assets		165,997	185,004
Intangible fixed assets		197,625	188,085
Property		544	544
Buildings		1,765	1,872
Other tangible fixed assets		43,946	39,467
Right-of-use assets		88,205	88,988
Fixed assets in progress		348	133
Tangible fixed assets		134,809	131,004
Equity investments		0	1
Loans		15,599	15,642
Other long-term investments		6,310	5,053
Long-term investments – excluding equity shares in equity method companies		21,909	20,696
Equity shares in equity method companies	8.2	21,592	20,578
Deferred tax asset	13.1	20,910	30,385
Accounts receivable: long-term portion		-	-
Other receivables: long-term portion	6.5	-	-
Long-term financial instruments		-	-
Prepaid expenses: long-term portion		0	0
Non-current assets		596,473	589,509
Goods		7,883	6,495
Advances and deposits received on orders		140	177
Accounts receivable: short-term portion	6.4	169,747	151,757
Other receivables: short-term portion	6.5	60,325	50,497
Current tax credits		15,147	16,557
Cash equivalents		0	0
Cash		27,879	55,553
Prepaid expenses: short-term portion		22,465	19,370
Current assets		303,587	300,406
TOTAL Assets		900,060	889,915

Consolidated liabilities and shareholders' equity

In thousands of euros	Note	06/30/2023 Net	12/31/2022 Net
Share capital		13,337	13,337
Group reserves		285,260	271,344
Group exchange gains/losses		(11,613)	(13,141)
Group earnings		(8,793)	13,624
Shareholders' equity, Group share		278,191	285,164
Minority interests		18,537	18,971
Shareholders' equity		296,728	304,135
Long-term financial liabilities	10.1	186,794	188,913
Non-current lease liabilities		75,236	75,907
Deferred tax liabilities	13.1	7,818	6,137
Retirement commitments		27,765	25,397
Non-current provisions		2,192	2,355
Other non-current liabilities		-	-
Non-current liabilities		299,805	298,709
Short-term financial liabilities	10.1	7,393	3,854
Current lease liabilities		16,121	15,916
Accounts payable and related accounts		51,585	55,709
Current tax liabilities		264	247
Tax and social liabilities		110,119	112,341
Provisions		1,419	2,172
Other current liabilities	6.6	116,626	96,832
Current liabilities		303,527	287,071
Total liabilities		900,060	889,915

3.2 | Consolidated income statements

In thousand of euros	Note	06/30/2023 Net	12/31/2022 Net
Revenue		301,011	267,560
Purchases used		(14,739)	(13,516)
External expenses		(66,371)	(58,223)
Taxes		(4,291)	(4,704)
Payroll costs	7.1	(163,623)	(149,429)
Impairment on accounts receivable and other receivables and on contract assets		(2,041)	(432)
Allocations to and reversals of provisions		(1,830)	(1,235)
Other operating income and expenses		108	296
Share of profit (loss) for the period of equity method companies included in Operating Income		603	1,345
EBITDA		48,827	41,661
Depreciation expenses other than right-of-use assets		(29,030)	(26,471)
Depreciation expenses of right-of-use assets		(9,097)	(8,374)
Recurring operating income⁽¹⁾⁽²⁾		10,700	6,816
Amortization of goodwill		-	-
Non-recurring operating income and expenses ⁽¹⁾		(1,385)	(4,358)
Other non-recurring operating income and expenses⁽¹⁾⁽²⁾	6.2	(1,385)	(4,358)
Operating income		9,315	2,459
Income from cash and cash equivalents		180	31
Cost of gross financial debt		(5,633)	(4,175)
Other financial income and expenses		(136)	(302)
Financial result	10.5	(5,589)	(4,445)
Income taxes		(1,841)	(2,678)
Deferred income taxes		(10,588)	(821)
Tax	13.1	(12,429)	(3,499)
Share of net profit (loss) of equity method companies		(515)	(656)
Consolidated net profit		(9,219)	(6,141)
Group share	A	(8,793)	(4,875)
Non-controlling interest		(426)	(1,265)
Average number of shares excluding treasury stock	B	13,658,348	13,683,647
Recurring earnings per share (in euros)		(0.6)	(0.4)
Earnings per share (in euros)	A/B	(0.6)	(0.4)
Diluted earnings per share (in euros)		(0.6)	(0.4)

Consolidated statement of comprehensive income

In thousands of euros	Note	06/30/2023	06/30/2022
Consolidated net profit (loss) for the period		(9,219)	(6,141)
Unrealized exchange gains / losses		1,528	(1,210)
Hedging of financial instruments			
Gross unrealized gains and losses		-	-
Tax impact		-	-
Other items that may not later be recycled to profit or loss		1,528	(1,210)
Restatement of net liabilities of defined-benefit schemes			
Gross gains and losses			9,094
Tax impact			(2,351)
Other items that may not later be recycled to profit or loss net		0	6,742
Total earnings		(7,691)	(609)
Share of profit (loss) for the period of equity method companies		(426)	(1,077)
Consolidated net income (loss) attributable to owners of the parent		(7,265)	469

3.3 | 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 01/01/2022	13,337	226,940	(8,213)	232,064	323	232,387
Profit (loss) for the period		13,624		13,624	(1,545)	12,079
Hedging of financial instruments				0		0
Exchange differences		1,286	(4,928)	(3,642)		(3,642)
Actuarial differences related to prov. for retirement		8,027		8,027	217	8,244
Total earnings for the period		22,937	(4,928)	18,009	(1,328)	16,681
Capital transactions				0		0
Securities transactions		50		50	(15)	35
Distribution of dividends ⁽¹⁾		(6,830)	(0)	(6,830)	(95)	(6,925)
Treasury shares		(1,671)		(1,671)		(1,671)
Total transactions with shareholders		(8,451)	(0)	(8,451)	(110)	(8,561)
Other transaction				0		0
Change in consolidated scope		43,542		43,542	20,086	63,628
Balance at 12/31/2021	13,337	284,968	(13,141)	285,164	18,971	304,135
Profit (loss) for the period		(8,793)		(8,793)	(426)	(9,219)
Hedging of financial instruments				0		0
Exchange differences			1,528	(1,528)		1,528
Actuarial differences related to prov. for retirement				0		0
Total earnings for the period		(8,793)	1,528	(7,265)	(426)	(7,691)
Capital transactions				0		0
Securities transactions		(316)		(316)	(10)	(326)
Distribution of dividends ⁽¹⁾				0	(2)	(2)
Treasury shares		611		611		611
Total transactions with shareholders		296	0	296	(12)	284
Other transaction		(3)		(3)	3	0
Change in consolidated scope				0		0
Balance at 06/30/2023	13,337	276,468	(11,614)	278,191	18,537	296,727

⁽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 2022 and 2023, except for the shares acquired under the free share award plan.

3.4 | Consolidated statement of cash flows

In thousand of euros	Note	06/30/2023	12/31/2022	06/30/2022
Consolidated profit (loss) for the period		(9,219)	12,079	(6,141)
Share of earnings from equity method companies		(88)	(1,203)	(689)
Depreciation and amortization expenses and provisions		37,972	83,090	35,060
Capital gains or losses on disposals		(798)	(31)	1,261
Cash flow after cost of net financial debt and taxes		27,867	93,935	29,491
Cost of net financial debt		5,589	8,791	4,445
Tax expenses		12,429	4,609	3,499
Operating cash flow before cost of net financial debt and taxes		45,885	107,335	37,436
Tax paid		(378)	(21,309)	(15,917)
Impact of change in working capital requirements		(18,032)	450	(18,529)
Cash flow generated from operating activities after tax paid and change in working capital requirements	A	27,476	86,476	2,990
Acquisitions of intangible assets		(29,550)	(58,554)	(27,957)
Acquisitions of tangible assets		(11,759)	(17,582)	(8,083)
Acquisitions of long-term investments		(36)	(2,619)	(1,900)
Disposals of tangible and intangible assets		2,575	2,099	24
Disposals of long-term investments		805	1,636	948
Change in deposits received or paid (1)		(156)	(717)	97
Impact of changes in consolidation scope (2)		(2,172)	52,483	58,277
Dividends received		30	3,084	1,457
Net cash flow used in investing activities	B	(40,264)	(20,170)	22,863
Capital increase		-	-	-
Dividends paid to shareholders of the parent company		-	(6,831)	-
Dividends paid to minority shareholders of consolidated cos.		-	(95)	(2)
Debt repayments (3)		(193)	(85)	(13)
Employee profit sharing (4)		129	81	266
Repayment of lease liabilities		(11,353)	(19,036)	(9,840)
Interest paid on loans		(117)	(4,949)	(98)
Other income		596	1,784	115
Other financial expenses paid		(3,492)	(4,758)	(1,296)
Net cash flow used in financing activities	C	(14,430)	(33,889)	(10,867)
Change in cash before impact of change in foreign currency exchange rates	A + B + C	(27,218)	32,417	14,985
Impact of changes in foreign currency exchange rates		(456)	(1,024)	(123)
Change in cash		(27,674)	31,393	14,862
Opening cash		55,553	24,159	24,159
Closing cash		27,879	55,553	39,021

3.5 | Notes to the consolidated financial statements

Note 1	Reference and general principles	53	Note 10	Financing and financial instruments	69
1.1	Valuation methods used for the consolidated financial statement	53	10.1	Net financial debt	69
Note 2	Alternative performance indicators	54	10.2	Net cash	69
Note 3	Period Highlights	56	10.3	IFRS 16 debt	69
Note 4	Consolidation scope	57	10.4	Statement of changes in net debt	70
4.1	Changes in consolidation scope	57	10.5	Cost of net debt	70
Note 5	Segment reporting	57	10.6	Financing	71
5.1	Segment reporting 2023	57	10.7	Liquidity risk	71
5.2	Segment reporting 2022 - Income statement items at June 30, 2022	60	Note 11	Change in working capital requirement	71
Note 6	Operating data	61	Note 12	Lease contracts	72
6.1	Revenues	61	12.1	Right-of-use assets of lease contracts	72
6.2	Other non-recurring operating income and expenses	63	12.2	Lease debt	72
6.3	Capitalized production	64	Note 13	Income tax	72
6.4	Trade receivables	64	13.1	Deferred tax	72
6.5	Other receivables	65	Note 14	Equity and earnings per share	74
6.6	Other liabilities	65	14.1	Equity	74
Note 7	Personnel costs and employee benefits	65	14.2	Earnings per share	74
7.1	Employee costs	65	Note 15	Dividend	74
7.2	Workforce	66	Note 16	Other disclosures	74
7.3	Award of free shares	66	16.1	Seasonality	74
Note 8	Investments in affiliates	67	16.2	Off-balance sheet commitments	74
8.1	Value of shares in equity method companies	67	16.3	Litigations	74
8.2	Change in the value of investments in equity method companies	67	Note 17	Significant post-closing transactions and events (post June 30, 2023)	75
Note 9	Assets	68			
9.1	Goodwill	68			

Note 1 | Reference and general principles

The Group's interim consolidated financial statements at June 30, 2023 have been prepared in accordance with IAS 34 - Interim Financial Reporting. They correspond to condensed interim financial statements, and do not include all the information required for annual financial statements. The consolidated financial statements for the six months ended June 30, 2023 should therefore be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2022.

The International Financial Reporting Standards (IFRS) applied in the condensed interim financial statements for the six months ended June 30, 2023 are those mandatory in the European Union at that date. The Group has not early adopted any standards, amendments to standards or interpretations that are not mandatory at June 30, 2023.

The condensed consolidated financial statements were reviewed by the Board of Directors of Cegedim SA on September 19, 2023. They were reviewed by the Audit Committee on September 18, 2023.

1.1. Valuation methods used for the consolidated financial statement

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, 2023

The accounting principles and methods applied for the interim consolidated financial statements at June 30, 2023 are comparable to those applied at December 31, 2022, with the exception of the new IFRS standards, amendments and interpretations with mandatory application from January 1, 2023. The IFRS standards and amendments, applicable for the first half of 2023, had no impact on the Group's financial statements at June 30, 2023:

- Amendments to IAS 1 - Disclosure of accounting policies;
- Amendments to IAS 12 - Deferred taxes on assets and liabilities arising from the same transaction, adopted by the European Union in March 2022.

Standards and interpretations adopted by the IASB but not yet applicable at June 30, 2023

The Group has not anticipated any of the new standards and interpretations listed below that could affect it and whose application is not mandatory as of January 1, 2023:

- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 1 - Non-current liabilities with covenants;
- Amendments to IFRS 7 - Financial instruments: financing arrangements with suppliers;
- Amendments to IFRS 16 - Lease obligations in sale and leaseback transactions.

Note 2 | Alternative performance indicators

In order to monitor and analyze the Group's financial performance and that of its various businesses, Group management uses alternative performance indicators, which are financial indicators not defined in IFRS. A reconciliation with the aggregates of the IFRS consolidated financial statements is presented in this section.

Reported and like-for-like revenue - Definition

Reported revenue correspond to the Group's actual sales. Cegedim also uses the like-for-like data, which consists of :

- Neutralizing the portion of sales relating to entities sold in 2022 and in the first half of 2023;
- Neutralizing the portion of sales relating to entities acquired in 2022 and in the first half of 2023;
- Recalculating all 2022 sales at 2023 exchange rates.

These restatements thus make it possible to obtain a comparable basis at constant exchange rates and scope of consolidation, in order to identify the Group's so-called "organic" growth.

Reported and like-for-like revenue - Reconciliation table

In thousands of euros		Software & services	Flow	Data & Marketing	BPO	Corporate and others	Group
H1 2022 Revenue	a	145,602	45,200	50,018	25,395	1,343	267,560
Impact of disposals		-	-	-	-	-	-
H1 2022 revenue before impact of disposals		145,602	45,200	50,018	25,395	1,343	267,560
Currency impact		(658)	(78)	3	-	-	(733)
H1 2022 revenue at June 30, 2023 exchange rate	b	144,945	45,122	50,021	25,395	1,343	266,827
H1 2023 revenue before impact of acquisitions	c	160,258	48,213	54,456	32,832	3,504	299,263
Revenue from acquisitions		1,256	-	493	-	-	1,749
H1 2023 Revenue		161,514	48,213	54,948	32,832	3,504	301,011
Like-for-like growth	[c-b]/a	10.5%	6.8%	8.9%	29.3%	160.9%	12.1%

Recurring operating income (REBIT)- Definition

Other non-recurring operating income and expenses include unusual, abnormal and infrequent items that are likely to affect the relevance of monitoring the economic performance of Group companies.

Other non-recurring operating income and expenses may include, in particular, impairment of goodwill and other intangible and tangible fixed assets, gains and losses on the disposal of fixed assets, restructuring costs and costs relating to exceptional workforce adjustment measures.

To monitor the Group's operating performance, Cegedim uses recurring operating income (REBIT), defined as the difference between total operating income and "Other non-recurring operating income and expenses". REBIT is an intermediate aggregate that facilitates understanding of the Group's operating performance, and can be used to forecast recurring performance. This indicator is presented in a consistent and stable manner over time, in accordance with the principle of 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		06/30/2023	06/30/2022
Operating income	a	9,315	2,459
Other non-recurring operating income and expenses	b	(1,385)	(4,358)
Amortization of goodwill	c	-	-
Other non-recurring operating income and expenses	d=b+c	(1,385)	(4,358)
Recurring operating income	e=a-d	10,700	6,816
Depreciation and amortization expenses	f	(38,127)	(34,845)
EBITDA	j=e-f	48,827	41,661
IFRS 16 impact	k	10,546	9,051
EBITDA excl. IFRS 16	l=j-k	38,281	32,610

Free cash flow from operations - Definition

The Group also uses an intermediate aggregate to monitor its financial performance, known as free cash flow from operations. This financial indicator corresponds to net cash flow from operating activities, less net operating investments (defined as acquisitions and disposals of property, plant and equipment and intangible assets).

Free cash flow from operations - Reconciliation table

In thousands of euros		06/30/2023	06/30/2022
Cash flow generated from operating activities after tax paid and change in working capital requirements	a	27,476	2,990
Acquisition of intangible assets	b	(29,550)	(27,957)
Acquisition of tangible assets	c	(11,759)	(8,083)
Disposal of tangible and intangible assets	d	2,575	24
Free cash flow from operations	e=a+b+c+d	(11,258)	(33,026)

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		06/30/2023	12/31/2022	06/30/2022
Long-term financial liabilities	a	262,030	264,820	252,366
Short-term financial liabilities	b	23,514	19,770	21,282
Total financial liabilities	c=a+b	285,544	284,590	273,648
Cash and cash equivalents	d	27,879	55,553	39,022
Net financial debt	e=c-d	257,665	229,037	234,626
Non-current IFRS 16 debt	f	75,236	75,907	63,519
Current IFRS 16 debt	g	16,121	15,916	16,129
Net financial debt excluding IFRS 16 debt	h=e-f-g	166,308	137,214	154,978

Note 3 | Period Highlights

With the exception of the facts set out below, to the best of the company's knowledge there have been no events or changes during the first half of 2023 that would be likely to have a material impact on the Group's financial position.

War in Ukraine

The Group has no operations in Russia or Ukraine. Nor does the Group have any assets exposed in these countries.

Tax

On February 21, 2018, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2015 and 2016. The audit resulted in a reassessment notice covering the use of tax-loss carryforwards, which the authorities disputed. On February 21, 2021, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2019 and 2020. That audit did not result in any additional reassessments.

After consultation with its lawyers and based on the applicable tax law and existing tax rulings, the Group believes that the tax authorities' proposed reassessment is unwarranted. Cegedim S.A. has appealed the decision and continues to explore its options for contesting the reassessment.

Over the first half of 2023, Cegedim S.A. continued to apply the disputed tax-loss carryforwards to its taxable earnings, bringing cumulative tax savings to €24.4 million at June 30, 2023.

Furthermore, as it is permitted to do under this process, in the first half of 2022 tax authorities issued Cegedim S.A. a notice of collection, in response to which the Group paid a total of €12.1 million in respect of tax loss carryforwards used through 2020 and a €0.4 million late payment penalty. The corresponding entry for these payments was not recognized in expenses, but rather as a tax receivable in the balance sheet, as the Company expects these sums to be repaid once the dispute has been resolved in its favor.

As a result, if Cegedim S.A. ultimately loses its appeal, it would have to record a tax charge of €24.4 million in its profit and loss statement, but it would only have to make a cash payment of €12.3 million for the share of taxes not yet paid.

In addition, in accordance with IFRS, Cegedim S.A. records in its consolidated financial statements a deferred tax asset in respect of its unused tax-loss carryforwards, which represents the future tax gain the company may yet realize. Note that the accounting entries related to deferred tax never have cash impact. Through December 31, 2022, deferred tax assets were unchanged at €20 million. At June 30, 2023, those assets amounted to €10.5 million owing to a €9.5 million downward adjustment recorded in deferred tax expenses in the consolidated profit and loss statements. In response to a recent tax ruling in July 2023, the Group opted for a more conservative assessment of the unrealized future gains from its remaining, disputed tax-loss carryforwards.

If Cegedim S.A. ultimately loses its appeal, the entirety of the deferred tax assets in the balancesheet at June 30, 2023, would have to be recorded as a €10.5 million charge in the profit and loss statements, with no cash outlay.

Cegedim S.A., in consultation with its attorneys, believes that it still has a solid case for dismissal of the reassessment, consistently with the position currently reflected in its financial statements. As a result, Cegedim is preparing to appeal the dispute to the administrative court, an effort which could take several years. Cegedim is confident in its chances of success and has not recorded any provisions in respect of the dispute.

The maximum amount of risk from the potential tax charges cited above is expected to remain constant at €34.9 million, but the breakdown could change: the €10.5 million deferred tax asset would decrease as tax savings are realized, incrementally increasing the €24.4 million already used.

The maximum potential cash payment, which came to €12.3 million at June 30, 2023, will continue to rise as future tax savings are realized, but could also decrease if the tax authorities issue additional notices of collection while the appeal is ongoing.

Note 4 | Consolidation scope

4.1. Changes in consolidation scope

Companies entering the consolidate scope

None

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
Kobus	-	-	100,00%	-	TUP to Cegedim Santé
Sedia	-	-	100,00%	-	TUP to Cegedim SA
Stacks ST	-	-	100,00%	-	Merge in Stacks CIS
Futuramedia	-	-	100,00%	-	TUP to Cegedim Media

TUP: Universal transfer of assets.

Note 5 | Segment reporting

5.1. Segment reporting 2023

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, 2023

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2023	Total France	Total rest of the world
Segment revenue							
A	Non-Group revenue	213,807	83,700	3,504	301,011	269,275	31,736
B	Intra-Group revenue	6,241	7,637	51,767	65,645	61,785	3,860
A+B	Total Revenue	220,048	91,337	55,271	366,656	331,060	35,596
Segment profit							
C	Recurring operating income	20,118	(8,551)	(867)	10,700		
D	EBITDA	38,796	2,090	7,941	48,827		
C/A	Recurring operating margin	9.4%	(10.2%)	(24.7%)	3.6%		
D/A	EBITDA margin	18.1%	2.5%	226.7%	16.2%		
	Depreciation and amortization	18,678	10,641	8,808	38,127		

Geographical breakdown of consolidated revenue at June 30, 2023

<i>In thousands of euros</i>	France	Euro zone excluding France	Pound sterling zone	Rest of the world	06/30/2023
Geographical breakdown	269,275	6,068	21,911	3,756	301,011
%	89.5%	2.0%	7.3%	1.2%	100.0%

Balance sheet items at June 30, 2023

<i>In thousands of euros</i>	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06/30/2023	Total France	Total Rest of the world
Segment assets						
Goodwill (Note 9.1)	105,646	93,983	-	199,628	138,936	60,693
Intangible fixed assets	99,946	86,571	11,108	197,625	155,157	42,468
Property and equipment	56,580	19,875	58,354	134,809	120,708	14,102
Investments in affiliates (Note 8.2)	5,173	16,418	-	21,592	9,235	12,357
Net total	267,345	216,847	69,462	553,654	424,035	129,619
Investments during the year (gross values)						
Goodwill (Note 9.1)	-	-	-	-	-	-
Intangible fixed assets	16,970	11,685	895	29,550	25,716	3,834
Property and equipment	11,162	2,649	8,915	22,726	18,972	3,753
Investments in affiliates (Note 8)	-	-	-	-	-	-
Gross total	28,131	14,334	9,810	52,275	44,688	7,587
Segment liabilities⁽¹⁾						
Non-current liabilities						
Retirement commitment	18,780	7,515	1,469	27,765	27,765	-
Other provisions	60	1,427	705	2,192	1,427	765
Other liabilities	-	-	-	-	-	-
Current liabilities						
Trade payables and related accounts	32,615	12,937	6,033	51,585	40,011	11,574
Tax and social liabilities	76,441	25,775	7,903	110,119	102,726	7,393
Provisions	735	684	-	1,419	1,419	-
Tax liabilities	-	15	249	264	-	264
Other liabilities	87,641	28,139	845	116,626	107,177	9,449

⁽¹⁾ 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, 2023

The division into 3 sectors (used above) is designed to present activities by major customer typologies. This sectoral breakdown is supplemented by a five-divisional breakdown, designed to present activities according to the types of business carried out within the Group.

Software & Services Division: groups together all the Group's software offerings in all their forms (license, SaaS, Internet services), as well as hosting (HDS accreditation) and outsourcing. Cegedim targets in particular:

- health and personal protection insurer (France and UK),
- human resources departments (France),
- independent pharmacies, pharmacy groups or chains (France, Romania and UK),
- doctors and health centers (France, UK, Belgium, Spain, Italy, Chile),
- paramedical professions: physiotherapists, nurses, speech therapists, orthoptists, chiropodists, midwives, etc. (France).

Flow Division: includes third-party payment management (France), dematerialization of "contract to pay" processes and management documents (orders, invoices, etc.), archiving with probative value and EDI (France, United Kingdom, Germany). For this activity, Cegedim has its own service centers in France, Romania and Morocco

Data & marketing Division: groups together the following activities:

- data for health authorities, healthcare professionals, researchers, the healthcare industry and its partners in France, Italy, Germany, Spain, Romania and the United Kingdom;
- communication in pharmacy and parapharmacy chains in France in print and digital formats;
- digital marketing to doctors.

BPO Division: includes Business Process Outsourcing (delegated management) activities in France on behalf of supplementary health insurers (including reimbursement management) and personal protection insurers, as well as HR departments. For this activity, Cegedim has its own service centers in France and Romania.

Division Corporate and others: supports the above divisions.

In thousands of euros		Software & services	Flow	Data & marketing	BPO	Corporate and Others	Group
Revenue	a	161,514	48,213	54,948	32,832	3,504	301,011
EBITDA	b	18,148	9,802	10,377	2,558	7,941	48,827
EBITDA margin	b/c	11.2%	20.3%	18.9%	7.8%	226.7%	16.2%
Depreciation expenses of R&D	e	(14,461)	(3,036)	(790)	(781)	(592)	(19,661)
Depreciation expenses of right-of-use assets	f	(3,340)	(673)	(504)	(240)	(4,340)	(9,097)
Others Depreciation expenses	g	(2,361)	(449)	(2,521)	(162)	(3,877)	(9,370)
Depreciation expenses	h=e+f+g	(20,162)	(4,158)	(3,815)	(1,184)	(8,808)	(38,127)
Recurring operating income	i=b-h	(2,014)	5,644	6,563	1,374	(867)	10,700
Recurring operating income margin	i/a	(1.2%)	11.7%	11.9%	4.2%	(24.7%)	3.6%
Depreciation of goodwill	j	-	-	-	-	-	-
on-recurring income and expenses	k	(1,177)	(304)	500	-	(404)	(1,385)
Other non-recurring operating income and expenses	l=j+k	(1,177)	(304)	500	-	(404)	(1,385)
Operating income	m=i-l	(3,192)	5,340	7,063	1,374	(1,271)	9,315
Operating income margin	m/a	(2.0%)	11.1%	12.9%	4.2%	(36.3%)	3.1%

5.2. Segment reporting 2022 - Income statement items at June 30, 2022

In thousands of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 6/30/2022	Total France	Total rest of the world
Segment revenue							
A	Non-Group revenue	192,972	73,244	1,343	267,560	239,019	28,541
B	Intra-Group revenue	8,096	7,923	46,724	62,743	58,222	4,521
A+B	Revenue	201,068	81,167	48,067	330,302	297,241	33,062
Segment profit							
C	Recurring operating income	20,392	(14,576)	1,000	6,816		
D	EBITDA	37,837	(4,420)	8,244	41,661		
C/A	Recurring operating income margin	10.6%	(19.9%)	74.5%	2.5%		
D/A	EBITDA margin	19.6%	(6.0%)	613.8%	15.6%		
	Depreciation and amortization	17,444	10,156	7,244	34,845		

Geographical breakdown of consolidated revenue at June 30, 2022

In thousands of euros	France	Euro zone excluding France	Pound sterling zone	Rest of the world	06/30/2022
Geographical breakdown	239,019	5,673	19,143	3,724	267,560
%	89.3%	2.1%	7.2%	1.4%	100.0%

Balancesheet items at December 31, 2022

In thousands of euros	Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 12/31/2022	Total France	Total rest of the world
Segment assets						
Goodwill (Note 10.1)	105,230	93,531	-	198,761	139,461	59,300
Intangible fixed assets	95,539	80,921	11,625	188,085	147,155	40,930
Property and equipment	53,518	19,631	57,854	131,004	117,707	13,297
Investments in affiliates (Note 9.2)	3,715	16,864	-	20,578	7,789	12,789
Net total	258,002	210,946	69,479	538,428	412,112	126,316
Investments during the year (gross values)						
Goodwill (Note 10.1)	11,297	4,321	-	15,618	15,618	-
Intangible fixed assets	31,175	22,259	5,120	58,554	50,542	8,012
Property and equipment	18,324	6,392	17,439	42,156	37,496	4,660
Investments in affiliates (Note 9.2)	-	-	-	-	-	-
Gross total	60,796	32,972	22,559	116,327	103,655	12,672
Segment liabilities⁽¹⁾						
Non-current liabilities						
Retirement commitment	16,606	7,409	1,383	25,397	25,397	-
Other provisions	165	1,490	700	2,355	1,595	760
Other liabilities	-	-	-	-	-	-
Current liabilities						
Trade payables and related accounts	32,952	14,695	8,062	55,709	42,832	12,877
Tax and social liabilities	77,205	28,010	7,125	112,341	104,433	7,908
Provisions	815	1,357	-	2,172	2,172	-
Tax liabilities	35	50	162	247	35	212
Other liabilities	70,921	25,541	370	96,832	89,106	7,726

⁽¹⁾ 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, 2022

In thousands of euros		Software & services	Flow	Data & marketing	BPO	Corporate and Others	Group
Revenue	a	145,602	45,200	50,018	25,395	1,343	267,560
EBITDA	b	12,734	10,189	9,032	1,461	8,244	41,661
EBITDA margin	b/c	8.7%	22.5%	18.1%	5.8%	613.8%	15.6%
Depreciation expenses of R&D	e	(14,215)	(2,673)	(606)	(179)	(548)	(18,222)
Depreciation expenses of right-of-use assets	f	(3,417)	(609)	(505)	(151)	(3,693)	(8,374)
Others Depreciation expenses	g	(2,701)	(580)	(1,856)	(108)	(3,003)	(8,248)
Depreciation expenses	h=e+f+g	(20,333)	(3,862)	(2,967)	(438)	(7,244)	(34,845)
Recurring operating income	i=b-h	(7,599)	6,327	6,065	1,023	1,000	6,816
Recurring operating income margin	i/a	(5.2%)	14.0%	12.1%	4.0%	74.5%	2.5%
Depreciation of goodwill	j	-	-	-	-	-	-
Other non-recurring income and expenses	k	(970)	-	(138)	(50)	(3,199)	(4,358)
Other non-recurring operating income and expenses	l=j+k	(970)	-	(138)	(50)	(3,199)	(4,358)
Operating income	m=i-l	(8,569)	6,327	5,927	973	(2,199)	2,459
Operating income margin	m/a	(5.9%)	14.0%	11.8%	3.8%	(163.7%)	0.9%

Note 6 | Operating data

6.1. Revenues

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 (71% of consolidated revenues in H1 2023). 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** (28% of consolidated revenues in H1 2023). 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.
- A few ancillary services, not significant in value terms, are also provided by entities carrying out support activities for 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)

The breakdown of revenue by sector is supplemented by a breakdown of revenue by division, according to the Group's main business lines. The purpose of this breakdown is to improve understanding of the Group's activities by highlighting the different business lines for which the reader can more easily find known market comparables.

- **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, Italy and Chili),
 - 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.

In thousand of euros	2022	recycled	new	June 2023
Contract assets	29,729	(22,446)	31,745	39,027
Contract liabilities	34,370	(23,442)	32,740	43,668

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	06/30/2023	06/30/2022
Résultat opérationnel courant	10,700	6,816
Provisions et dépréciations	-	-
Frais de restructuration ⁽¹⁾	(1,329)	(3,567)
Autres produits et charges non courants ⁽²⁾	(56)	(791)
Résultat Opérationnel	9,315	2,459

⁽¹⁾ Restructuring costs generally relate to (i) acquisitions or transactions having a significant impact on the scope of consolidation, and (ii) significant reorganizations in the governance of certain businesses. As at June 30, 2023, these include costs related to the departure of senior executives and the resulting reorganization of teams. Income of €500,000 has also been recognized to offset the reduction in the fair value of the debt corresponding to the earnout outstanding on the Clinityx acquisition. At June 30, 2022, this notably concerned advisory fees relating to the €65 million capital increase in Cegedim Santé.

⁽²⁾ Other non-recurring income and expenses concern penalties, litigation and the settlement of significant non-recurring transactions. At June 30, 2022, this mainly concerned the impact of tax corrections for prior years in Morocco (€0.6m).

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	06/30/2023	06/30/2022
Payroll costs	22,932	22,083
External expenses	5,733	5,521
Capitalized production	28,665⁽¹⁾	27,604

⁽¹⁾ At June 30, 2023, a product of €500,000 was capitalized in respect of costs relating to the project to set up the target organization, which will be used to deliver services under the Allianz contract, at the end of the transitional phase currently being carried out on the customer's systems.

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 €38.1 million at June 30 2023.

In thousands of euros	Current receivables		Non-current receivables		Total receivables	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
French companies	165,119	146,488	-	-	165,119	146,488
Foreign companies	17,633	16,215	-	-	17,633	16,215
Total gross value	182,752	162,703	-	-	182,752	162,703
Provisions	13,005	10,945	-	-	13,005	10,945
Total net value	169,747	151,757	-	-	169,747	151,757

Aged balance

In thousands of euros	Total trade receivables due	Receivables < 1 month	Receivables 1 to 2 months	Receivables 2 to 3 months	Receivables 3 to 4 months	Receivables > 4 months
French companies	31,620	4,743	6,062	2,588	1,709	16,518
Foreign companies	6,438	2,119	773	328	400	2,819
Total (gross value)	38,058	6,862	6,835	2,916	2,109	19,337

6.5. Other receivables

In thousands of euros	Social security receivables		Tax receivables		Other receivables ⁽¹⁾		Total other receivables	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Current receivables								
French companies	255	397	8,046	9,739	49,339	36,935	57,639	47,071
Foreign companies	405	489	2,061	2,067	719	1,369	3,186	3,926
Total gross value	660	886	10,106	11,806	50,058	38,304	60,825	50,997
Provisions	-	-	-	-	(500)	(500)	(500)	(500)
Total current receivables (net values)	660	886	10,106	11,806	49,558	37,804	60,325	50,497
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 €46 million at June 30, 2023 and €36 million at December 31, 2022.

6.6. Other liabilities

In thousands of euros	Currents		Non-current		Total	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Advances and payment on account	(128)	201	-	-	(128)	201
Clients – unissued credits	-	-	-	-	-	-
Expenses payable	-	-	-	-	-	-
Miscellaneous payables ⁽¹⁾	73,163	62,461	-	-	73,163	62,461
Other liabilities	73,163	62,461	-	-	73,163	62,461
Debts on acquisition of assets	2	1	-	-	2	1
Dividends payable	2	-	-	-	2	-
Deferred income	43,587	34,170	-	-	43,587	34,170
Total other liabilities	116,626	96,832	-	-	116,626	96,832

⁽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 €70 million at June 30, 2023 and €62 million at December 31, 2022.

Note 7 | Personnel costs and employee benefits

7.1. Employee costs

In thousands of euros	06/30/2023	06/30/2022
Payroll costs	(160,009)	(145,890)
Profit-sharing and incentives	(3,652)	(3,900)
Free share award plan	326	408
Provisions for employee litigation	(288)	(47)
Personnel costs	(163,623)	(149,429)

7.2. Workforce

In thousands of euros	06/30/2023	06/30/2022
France	4,031	3,732
International	2,438	2,210
Total workforce	6,459	5,942

7.3. Award of free shares

The Board meeting of January 26, 2021 was authorized by the Extraordinary General Meeting of June 19, 2018 to allocate free of charge a total number of shares not exceeding 10% of the total number of shares comprising the share capital to managers and employees of the Cegedim Group.

The Board meeting of January 27, 2022 was authorized by the Extraordinary General Meeting of June 17, 2021 to allocate free of charge a total number of shares not exceeding 10% of the total number of shares comprising the share capital to managers and employees of the Cegedim Group.

The Board meetings of January 26, 2023 and September 19, 2023 were authorized by the Extraordinary General Meeting of June 17, 2021 to allocate a total number of free shares not exceeding 10% of the total number of shares comprising the share capital to Cegedim Group managers and employees.

The main features of these plans are as follows:

- The January 26, 2021 plan authorized a maximum allocation of 37,068 free shares.
- The January 27, 2022 plan authorized a maximum allocation of 49,845 free shares.
- The January 26, 2023 plan authorized a maximum allocation of 48,920 free shares.
- For the 2021, 2022 and 2023 plans, the allotment of these shares to their beneficiaries will become definitive at the end of a two-year vesting period for beneficiaries whose tax residence is in France at the allotment date, and a three-year vesting period for beneficiaries whose tax residence is not in France at the allotment date.
- The shares will be definitively allocated to their beneficiaries subject to the sole condition that they have not resigned, been dismissed or made redundant.
- From the date of definitive allocation, beneficiaries whose tax residence is in France at the date of allocation will be required to retain said shares for a period of 1 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 of 01/26/2021	Plan of 01/27/2022	Plan of 01/26/2023
Date of the General Meeting	06/19/2018	06/17/2021	06/17/2021
Date of the Board meeting	01/26/2021	01/27/2022	01/26/2023 and 09/19/2023
Date of Date of plan opening	01/26/2021	01/27/2022	01/26/2023
Total number of shares that can be awarded	37,068 shares	49,845 shares	48,920 shares
Initial subscription price	€25.00	€24.15	€18.76
Vesting date, France	01/26/2023	01/27/2024	01/26/2025
Vesting date, Foreign	01/26/2024	01/27/2025	01/26/2026

Position of the plan as at June 30, 2023

	Plan of 01/26/2021	Plan of 01/27/2022	Plan of 01/26/2023
Total number of shares awarded	3,391 shares	40,315 shares	47,970 shares
Total number of shares left to be acquired	0	0	0
Adjusted acquisition price of free share award for			
France	€24.27	€23.44	€18.21
Foreign	€21.25	€20.53	€15.95

Note 8 | Investments in affiliates

8.1. Value of shares in equity method companies

Entity	% owned 06/30/2022	Profit (loss) 06/30/2023	Group share of profit (loss) at 06/ 30/2023	Net share- holders' equity at 06/ 30/2023	Group share of total net share- holders' equity at 06/ 30/2023	Goodwill	Provision for risks	Leaving the scope	Net value of investments in affiliates at 06/30/ 2023
Edipharm	20.00%	319	64	404	81				81
Isiakle	50.00%	0	0	50	25				25
Pharmazon	28.57%	(44)	(12)	2,626	750	3,312			4,062
Millennium	49.22%	1,121	552	19,298	9,498	2,859			12,357
Group share of investments in affiliates contributing to operating income		1,396	603	22,378	10,354	6,170	0	0	16,524
Clamae Group	40.81%	(1,240)	(506)	(2,702)	(1,103)	6,170			5,067
Infodisk	34.00%	(26)	(9)	(905)	(308)		308		0
Total as 06/30/2023		130	88	18,772	8,944	12,340	308	0	21,592

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 1/01/2023	20,578
Distribution of dividend	583
Share of profit (loss) at 6/30/2023	(1,084)
Goodwill	88
Provision for risk	1,417
Unrealized exchange gains / losses	9
Change in consolidated scoop	0
Distribution of dividend	0
Total	21,592

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 and Isiakle.
- Healthcare professionals division: Pharmazon and Millennium

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 and Millennium

Note 9 | Assets

9.1. Goodwill

At June 30, 2023, net goodwill amounted to €199.6m, compared with €198.8m at December 31, 2022. The Group made no acquisitions in the first half of 2023. The €0.8m increase is mainly due to two opposing effects: (i) on the one hand, a reduction of 0.7 M€ corresponding to the allocation of goodwill linked to acquisitions concluded in France in the first half of 2022, namely Mes Docteurs (24/7 telemedicine solution) and Laponi (HR solution for absenteeism management), and (ii) on the other hand, an increase of 1.2 M€ linked to currency translation differences as well as an increase of 0.3 M€ in deferred taxes due in particular to the increase in the UK tax rate. The Group allocates goodwill to identifiable assets relating to acquisition transactions within 12 months, ensuring that the necessary hindsight is available for valuation purposes. In practice, therefore, allocations are made towards the end of this period.

CGU groups	12/31/2022	Allocation of acquisition goodwill	Deferred tax	Scope	Translation gains or losses and other changes	06/30/2023
Health Insurance, HR & e-services	105,230		133		282	105,646
Healthcare professionals	93,531	-700	221		931	93,983
Corporate and others	-					-
Total goodwill	198,761	-700	355	-	1,213	199,628

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, 2023

The Cegedim Group recorded satisfactory growth in operating results over the half-year, in line with its annual business plans, in both its Healthcare Insurance, HR and e-services, and Healthcare Professionals CGU groups.

With regard to the Healthcare Professionals CGU group, where impairment tests are historically the most stringent, first-half performance was very good.

- Cegedim Santé's activities in France are growing strongly, both organically and as a result of sales generated by the Ségur de la Santé project, leading to significant growth in earnings. It should also be noted that the entry of three new shareholders in this subsidiary during 2022 has also given additional impetus to business plans, justifying high valuation levels for this business segment;
- The effects of the Ségur de la Santé deal, already underway over the period, will be more clearly visible in the French pharmacist segment in the second half of the year;
- Business in the UK is picking up thanks to new contracts (doctors in Scotland, projects for the UK Ministry of Defence, a new chain of pharmacists.
- The new Belgian software, launched in the spring, has been well received by the first customers, and the launch of the Romanian software is scheduled for the final quarter, opening up prospects for accelerated growth in these two countries over the coming years.

The Group therefore considers that there is no indication of impairment for its two groups of CGUs, and will update its impairment tests as it does every year in the second half of the year.

Note 10 | Financing and financial instruments

10.1. Net financial debt

In thousands of euros	06/30/2023			12/31/2022		
	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)	180,086	6,708	186,794	180,173	8,740	188,913
Non-current financial debt excluding IFRS 16 debt	180,086	6,708	186,794	180,173	8,740	188,913
Short-term borrowings and financial liabilities (< 1 year)	3,613	3,781	7,393	1,312	2,542	3,854
Current bank loans	-	-	-	-	-	-
Current financial debt excluding IFRS 16 debt	3,613	3,781	7,393	1,312	2,542	3,854
Total financial liabilities	183,698	10,489	194,187	181,484	11,283	192,767
Positive cash	27,879	-	27,879	55,553	-	55,553
Net financial debt excluding IFRS 16	155,819	10,489	166,308	125,931	11,283	137,214
Non-current IFRS 16 debt	75,236	-	75,236	75,907	-	75,907
Current IFRS 16 debt	16,121	-	16,121	15,916	-	15,916
Net financial debt	247,176	10,489	257,665	217,754	11,283	229,037

⁽¹⁾ The miscellaneous items include employee profit-sharing plans in the amount of 7,630 thousand of euros at June 30, 2023 and 7,500 thousand of euros at December 31, 2022

10.2. Net cash

In thousands of euros	06/30/2023	12/31/2022
Current bank loans	-	-
Positive cash	27,879	55,553
Net cash	27,879	55,553

10.3. IFRS 16 debt

In thousands of euros	Less than 1 year	>1 year < 5 years	Over 5 years
IFRS 16 debt	16,121	48,398	26,838
Total	16,121	48,398	26,838

IFRS 16 debt amounted to 91 million of euros at June 30, 2023.

10.4. Statement of changes in net debt

In thousand of euros		06/30/2023	12/31/2022
Net debt at the beginning of the period	A	229,037	251,343
Operating cash flow before cost of net debt and taxes		(45,885)	(107,335)
Tax paid		378	21,309
Change in working capital requirement		18,032	(450)
Net cash flow from operating activities		(27,476)	(86,476)
Change from investing activities		38,121	75,736
Impact of changes in consolidation scope		2,172	(52,483)
Dividends		(30)	3,842
Capital increase in cash		-	-
Impact of changes in foreign currency exchange rates		456	1,024
Interest paid on loans		117	4,949
Other financial income and expenses paid or received and interest on lease obligations		2,896	2,974
IFRS 16		10,886	24,492
Other changes		1,485	2,920
Total net change for the period	B	28,627	(23,022)
Impact of companies consolidated for the first time	C	0	716
Net debt at the end of the period	A+B+C	257,665	229,037

10.5. Cost of net debt

In thousand of euros		06/30/2023	06/30/2022
Income or cash equivalent		180	31
Interest paid on borrowings and charges and commissions		(117)	(98)
Accrued interest on borrowings		(2,363)	(2,363)
Interest on financial liabilities		(2,480)	(2,461)
Other interest and financial expenses		(1,577)	(918)
Interest paid on lease liabilities		(1,576)	(796)
Cost of gross financial debt		(5,633)	(4,175)
Net foreign exchange gains and losses		(56)	(406)
Valuation of financial instruments		0	-
Miscellaneous financial income and expenses		(79)	104
Other financial income and expenses		(136)	(302)
Cost of net financial debt		(5,589)	(4,445)

In thousand of euros		06/30/2023	06/30/2022
Including FCB interest		(1,254)	(570)
Interest on employee profit sharing		(226)	(224)
Total		(1,480)	(794)

10.6. Financing

In May 2007, Cegedim took out a 50.0 million euro loan from its main shareholder FCB. At the time of the December 2009 capital increase, FCB subscribed 4.9 million euros by converting a portion of the FCB loan. The balance of the FCB loan is therefore 45.1 million euros. On October 9, 2018 the loan agreement was amended to subordinate it to the Euro PP of 135 million euros and the RCF of 65 million euros, to extend its term and to modify the applicable interest rate.

On October 8, 2018, Cegedim issued a private placement (Euro PP) of 135 million euros maturing on October 8, 2025.

On October 9, 2018, Cegedim obtained from its bankers a 65.0 million euro revolving credit facility (RCF) maturing on October 9, 2023 with the option to extend it for a further year. The one-year extension option was activated in December 2019. The maturity date of the RCF is now October 9, 2024.

At June 30, 2023, the debt was structured as follows:

- 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, 2023, there was no interest-rate hedging, although most of the debt was at fixed rates. As a result, the portion of debt subject to interest-rate fluctuations at June 30, 2023 was 45 million euros. Interest expense on bank loans, bonds, agios and bank commissions totaled 0.1 million euros at June 30, 2023.

Interest on the shareholder loan at June 30, 2023 amounted to 1.3 million euros.

10.7. Liquidity risk

Contractual cash flows are not discounted, and in the case of a fixed rate, the rate is used to calculate future interest payments.

For acquisition transactions whose cumulative value over the fiscal year exceeds 50 million euros, and if the leverage ratio is greater than 2, then the agreement of EuroPP bondholders and lending banks is required to complete the acquisition transaction.

Note 11 | Change in working capital requirement

Change in working capital requirement

In thousand of euros	06/30/2023	12/31/2022	06/30/2022
Inventories	(1,371)	(2,028)	(2,864)
Trade receivables and prepaid expenses	(15,898)	(14,292)	(16,303)
Social contributions and tax receivable	1,977	1,385	2,675
BPO business advances	(2,274)	4,948	1,088
Others	(2,534)	(3,651)	(3,758)
Impact of the change in trade and other debtors	(20,100)	(13,638)	(19,161)
Accounts payable and prepaid income	6,338	(7,113)	1,844
Social contributions and tax payable	2,226	(11,043)	2,588
Others	(10,632)	4,068	(5,064)
Impact of the change in trade and other creditors	(2,068)	(14,088)	(632)
Net	(18,032)	450	(18,529)

Note 12 | Lease contracts

In application of the simplification measures provided for in IFRS 16, certain leases have not been restated and have not been subject to a right of use and a lease liability. These are contracts where the rent is variable, the term is less than 12 months or the leased asset has a low value. The corresponding rental expenses amount to €0.5 million at June 30, 2023, and are recorded under external expenses. Changes in rights of use and lease liabilities over the first half of 2023 were as follows:

12.1. Right-of-use assets of lease contracts			
In thousand of euros	Real estate	Equipment	Total
Gross value			
12/31/2022	132,946	8,972	141,919
06/30/2023	138,086	8,592	146,678
Depreciation & amortization			
12/31/2022	(47,520)	(5,411)	(52,931)
06/30/2023	(52,522)	(5,951)	(58,473)
Net value			
12/31/2022	85,426	3,561	88,988
06/30/2023	85,564	2,641	88,205

12.2. Lease debt

At June 30, 2023, lease liabilities totaled 91,357 thousand euros, of which 75,236 thousand euros related to the portion due in more than one year and 16,121 thousand euros to the portion due in less than one year.

The change in recorded debt breaks down as follows:

In thousand of euros	
Debt as of 12/31/2022	91,823
New contracts	10,891
Entering the scope	
Repayment of leases obligations	(11,353)
Others	(3)
Debt as of 06/30/2023	91,357

Note 13 | Income tax

13.1. Deferred tax

Tax breakdown

The tax charge recognized in income amounted to 12,429 thousand euros at June 30, 2023, compared with 3,499 thousand euros at June 2022. The breakdown is as follows:

In thousand of euros	06/30/2023	06/30/2022
Tax paid		
France	(1,223)	(2,205)
Abroad	(618)	(473)
Total tax paid	(1,841)	(2,678)
Deferred tax		
France	(9,271)	(687)
Abroad	(1,318)	(134)
Total deferred taxes	(10,588)	(821)
Total tax income recognized in the income statement	(12,429)	(3,499)

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 thousand of euros	12/31/2022	Reclassification and correction brought forward	Profit (loss)	Change in consolidation scope	Other change in equity	Change in exchange rates	06/30/2023
Tax loss carryforwards	20,000		(9,509)				10,491
Retirement benefit commitments	6,129		283				6,412
Non-deductible provisions	3,319		(396)				2,923
Fair value adjustment to financial instruments	-						0
IFRIC	(515)						(515)
Finance lease	699		27				726
Elimination of internal capital gain	145		0				146
Restatement of R&D margin	1,636		160				1,796
Other	218		303				521
Total deferred tax assets	31,633	0	(9,132)	0	0	0	22,501
Unrealized exchange gains/losses	0		213			(213)	0
R&D capitalization	(5,472)		(1,904)				(7,377)
Restatement of the allowance for the R&D margin	(586)		(117)				(703)
Intangible assets	(1,039)	(355)	300				(1,094)
Others	(286)		51				(234)
Total deferred tax liabilities	(7,384)	(355)	(1,457)	0	0	(213)	(9,409)
Intangible assets	24,249	(355)	(10,589)	0	0	(213)	13,092

Deferred tax assets relating to tax loss carryforwards amount to €10.5 million. Their recovery has been estimated over an average period of 4 years within the scope of consolidated French companies. Until December 31, 2022, the deferred tax asset was unchanged at €20 million. At June 30, 2023, this asset stood at 10.5 million euros, due to a downward adjustment of 9.5 million euros recognized in deferred tax expenses in the consolidated income statement. The company has taken note of a recent development in case law, published in July 2023, which has led it to assess more conservatively the latent future gain still realizable in respect of the remaining disputed tax losses.

The change in deferred taxes recognized in the consolidated balance sheet, after offsetting deferred tax assets and liabilities by tax entity, can be analyzed as follows::

In thousand of euros	Assets	Liabilities	Net
At December 31, 2022	30,386	(6,138)	24,249
Impact on profit (loss) for the period	(9,132)	(1,457)	(10,589)
Impact on OCI	0	(213)	(213)
Impact of net reporting by fiscal entity	(344)	345	1
Reclassification	0	(355)	(355)
At June 30, 2023	20,910	(7,818)	13,092

The tax corresponding to losses not capitalized at June 30, 2023 amounts to 115 thousand euros for French companies and 14,515 thousand euros for international companies.

Note 14 | Equity and earnings per share

14.1. Equity

At June 30, 2023, capital stock comprised 13,997,173 shares (including 359,193 treasury shares) with a par value of 0.9528 euros, giving total capital of 13,336,506 euros.

14.2. Earnings per share

Earnings per share are calculated by dividing net income attributable to equity holders of the parent by the number of shares outstanding, excluding treasury stock.

The number of shares must be the weighted average number of ordinary shares outstanding during the period (i.e. 13,658,348 shares at June 30, 2023 and 13,683,647 shares at June 30, 2022).

Earnings per share before non-recurring items amounted to -0.6 euros for the first half of 2023.

Earnings per share amounted to -0.6 euros for the first half of 2023.

Cegedim SA	06/30/2023	06/30/2022
Weighted average number of outstanding ordinary Cegedim SA shares	13,997,173	13,997,173
Less average number of treasury shares	(338,825)	(313,526)
Number of shares used to calculate earnings per share	13,658,348	13,683,647

Note 15 | Dividend

No dividend has been paid in respect of the 2022 financial year, in accordance with the decision taken at the Annual General Meeting of June 16, 2023.

Note 16 | Other disclosures

16.1. Seasonality

The Group's activities are marked by certain seasonal effects, due in part to its activity as a software publisher.

The portion of sales generated in the second half is generally slightly higher than in the first half.

The proportion of EBITDA⁽¹⁾ generated in the second half is generally much higher than that generated in the first half. This is largely due to the seasonal nature of Cegedim customers' decision-making processes.

In particular, the **Health Insurance, HR, e-services** and **Healthcare Professionals sectors** are marked by a certain seasonal effect, as some customers invest in the Group's offerings at the end of the year in order to take full advantage of their annual budgets.

It should be noted that in fiscal year 2023, the **Séjour de la santé** will generate one-off revenue likely to disrupt the seasonal pattern, as will the start-up of the **Allianz contract** in the Insurance business.

16.2. Off-balance sheet commitments

Guarantees in place at December 31, 2022 have not changed significantly during the first half of 2023.

16.3. Litigations

The Euris lawsuit

There were no developments in this dispute during the period. Cegedim and IQVIA (formerly IMS Health) were jointly served with a summons by Euris for anti-competitive practices. Cegedim asked the court to rule that Cegedim should be exonerated. The Paris Commercial Court granted Cegedim's request in a favorable ruling on December 17, 2018. IQVIA has appealed the decision. This appeal, incidental to the proceedings, was deemed admissible by decision dated September 9, 2020, with the result that Cegedim was obliged to resume, on appeal, the substantive debate that had been won at first instance. The damages claimed by Euris amount to 150 million euros. After consulting its external legal advisors, the Group has decided not to set aside any provisions.

(1) See Note 2 of the Notes to the Consolidated Financial Statements on alternative performance indicators and Note 5 "Segment reporting".

Tax

On February 21, 2018, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2015 and 2016. The audit resulted in a reassessment notice covering the use of tax-loss carryforwards, which the authorities disputed. On February 21, 2021, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for 2019 and 2020. That audit did not result in any additional reassessments.

After consultation with its lawyers and based on the applicable tax law and existing tax rulings, the Group believes that the tax authorities' proposed reassessment is unwarranted. Cegedim S.A. has appealed the decision and continues to explore its options for contesting the reassessment.

Over the first half of 2023, Cegedim S.A. continued to apply the disputed tax-loss carryforwards to its taxable earnings, bringing cumulative tax savings to €24.4 million at June 30, 2023.

Furthermore, as it is permitted to do under this process, in the first half of 2022 tax authorities issued Cegedim S.A. a notice of collection, in response to which the Group paid a total of €12.1 million in respect of tax loss carryforwards used through 2020 and a €0.4 million late payment penalty. The corresponding entry for these payments was not recognized in expenses, but rather as a tax receivable in the balance sheet, as the Company expects these sums to be repaid once the dispute has been resolved in its favor.

As a result, if Cegedim S.A. ultimately loses its appeal, it would have to record a tax charge of €24.4 million in its profit and loss statement, but it would only have to make a cash payment of €12.3 million for the share of taxes not yet paid.

In addition, in accordance with IFRS, Cegedim S.A. records in its consolidated financial statements a deferred tax asset in respect of its unused tax-loss carryforwards, which represents the future tax gain the company may yet realize. Note that the accounting entries related to deferred tax never have cash impact. Through December 31, 2022, deferred tax assets were unchanged at €20 million. At June 30, 2023, those assets amounted to €10.5 million owing to a €9.5 million downward adjustment recorded in deferred tax expenses in the consolidated profit and loss statements. In response to a recent tax ruling in July 2023, the Group opted for a more conservative assessment of the unrealized future gains from its remaining, disputed tax-loss carryforwards.

If Cegedim S.A. ultimately loses its appeal, the entirety of the deferred tax assets in the balancesheet at June 30, 2023, would have to be recorded as a €10.5 million charge in the profit and loss statements, with no cash outlay.

Cegedim S.A., in consultation with its attorneys, believes that it still has a solid case for dismissal of the reassessment, consistently with the position currently reflected in its financial statements. As a result, Cegedim is preparing to appeal the dispute to the administrative court, an effort which could take several years. Cegedim is confident in its chances of success and has not recorded any provisions in respect of the dispute.

The maximum amount of risk from the potential tax charges cited above is expected to remain constant at €34.9 million, but the breakdown could change: the €10.5 million deferred tax asset would decrease as tax savings are realized, incrementally increasing the €24.4 million already used.

The maximum potential cash payment, which came to €12.3 million at June 30, 2023, will continue to rise as future tax savings are realized, but could also decrease if the tax authorities issue additional notices of collection while the appeal is ongoing.

Note 17 | Significant post-closing transactions and events (post June 30, 2023)

To the best of the company's knowledge, there have been no events or changes subsequent to June 30, 2023 that would be likely to have a material impact on the Group's financial position.

3.6 | 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.

Société Cegedim

Period from January 1, 2023 to June 30, 2023

To the shareholders of Cegedim S.A.

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on :

- the review of the accompanying condensed half-year consolidated financial statements of CEGEDIM S.A., for the period from January 1, 2023 to June 30, 2023;
- the verification of information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our review.

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.

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 20, 2023

Vincent de Becquevort
Partner

Mazars
Courbevoie, September 20, 2023

Jérôme de Pastors
Partner

Design and Production



pomelo-paradigm.com/pomdocpro/

2023

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