

Interim Financial Report

2018

January - June

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Healthcare
Digital
e-process
SaaS
HR
Data
Cloud

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Interim Financial Report

Half-year consolidated financial statements are subject to a limited review by our auditors.

1

Presentation of the Group

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1.1 Key Figures

The following selected consolidated financial information has been prepared in accordance with: International Financial Reporting Standards (IFRS) as adopted by the European Union, except where stated otherwise.

Owing to the disposal of the Group's Cegelease and Eurofarmat businesses, announced in 2017 and completed on February 28, 2018, the consolidated 2017 and 2018 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". The Group also applies IFRS 15, "Revenue from contracts with customers".

<i>In millions of euros, except for per share data</i>	06.30.2018	06.30.2017
Revenue	227.6	224.1
EBITDA	33.3	29.8
EBITDA margin	14.6%	13.3%
Operating income before special items	11.9	10.2
Operating income before special items margin	5.2%	4.6%
Profit (loss) for the period from continuing activities	(0.7)	(6.1)
Profit (loss) for the period attributable to the owners of the parent	0.7	(3.8)
Number of shares outstanding	13,997,173	13,997,173
Average number of shares excluding treasury shares	13,941,543	13,975,365
Net earnings per share	0.0	(0.3)
Net current earnings per share	0.2	(0.1)

<i>In millions of euros</i>	06.30.2018	12.31.2017
Goodwill on acquisition	173.3	167.8
Net financial debt	159.7	236.2
Shareholders' equity, Group share	195.0	197.3
Cash flow after cost of net financial debt and taxes	26.0	28.4
Total balance sheet	593.5	746.2

1.2 Corporate governance

1.2.1 Executives and supervisory bodies, statutory auditors

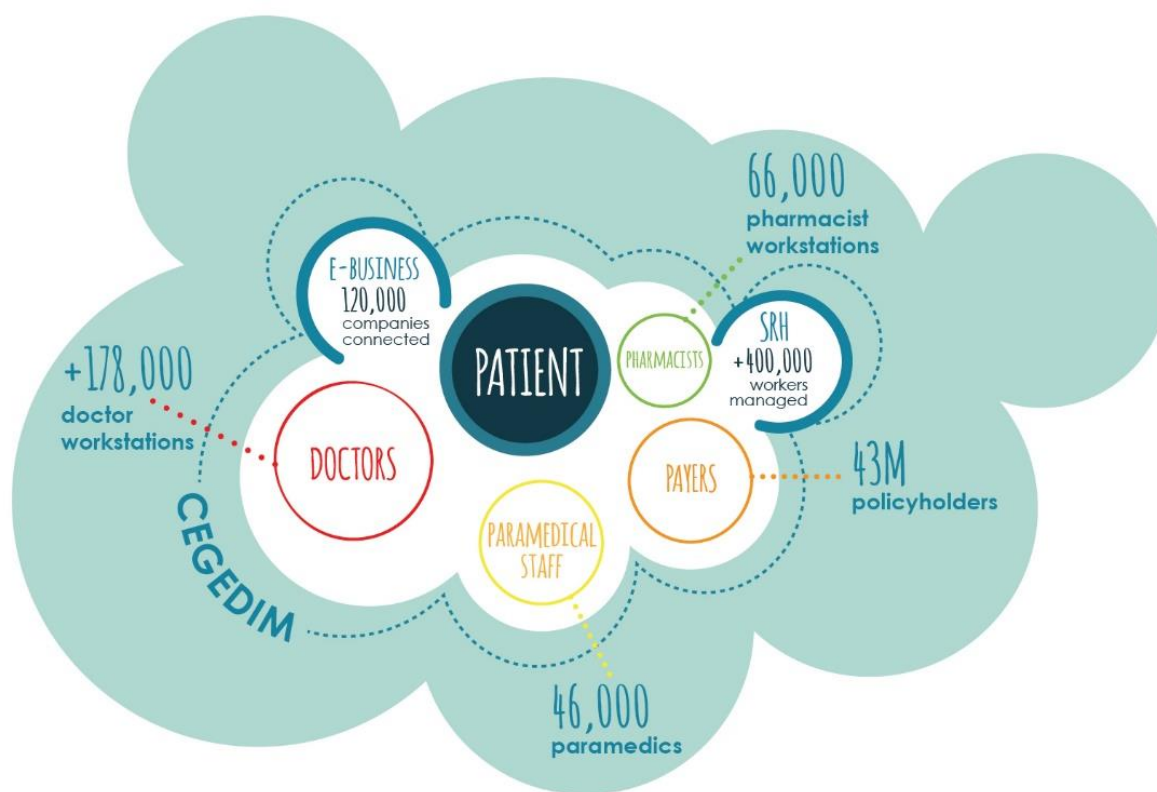


1.3 Activities

Cegedim is an innovative technology and services company specializing in the digital flows of the healthcare ecosystem and in B2B marketing, as well as in the design of enterprise software for healthcare and insurance professionals. The Group is also involved the businesses of human resources management and digitization in all types of industries. Cegedim employs more than 4,000 people in 11 countries and generated revenue of €441 million in 2016. Given the services offered and customers targeted, Cegedim's business is structured around two operating divisions:

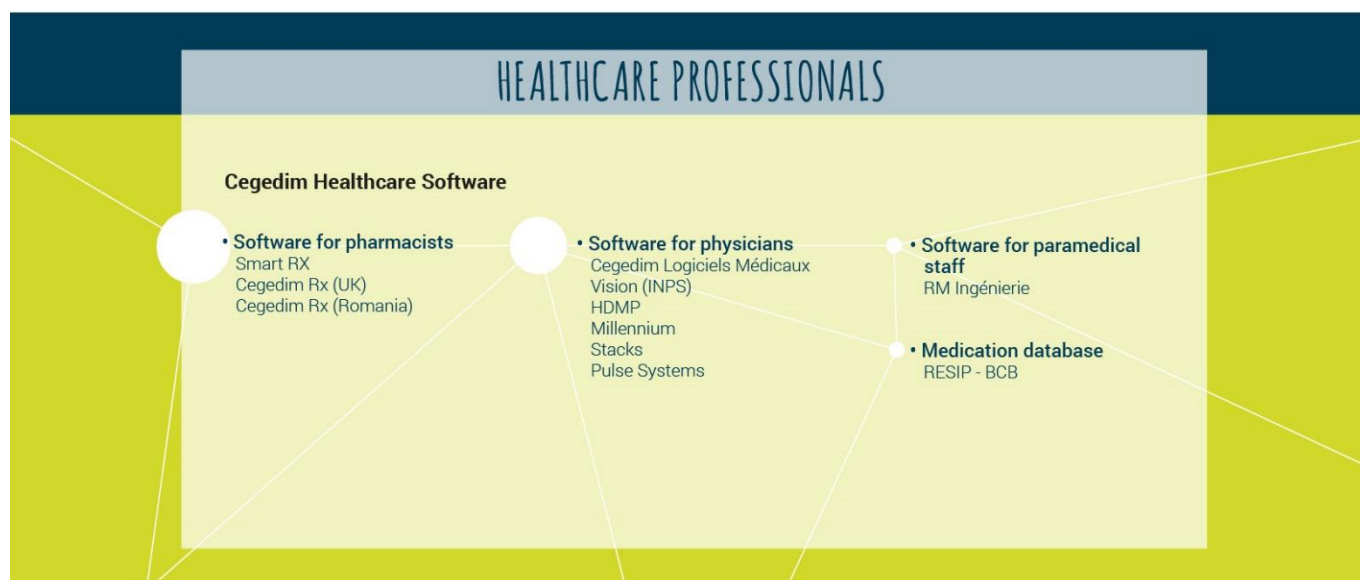
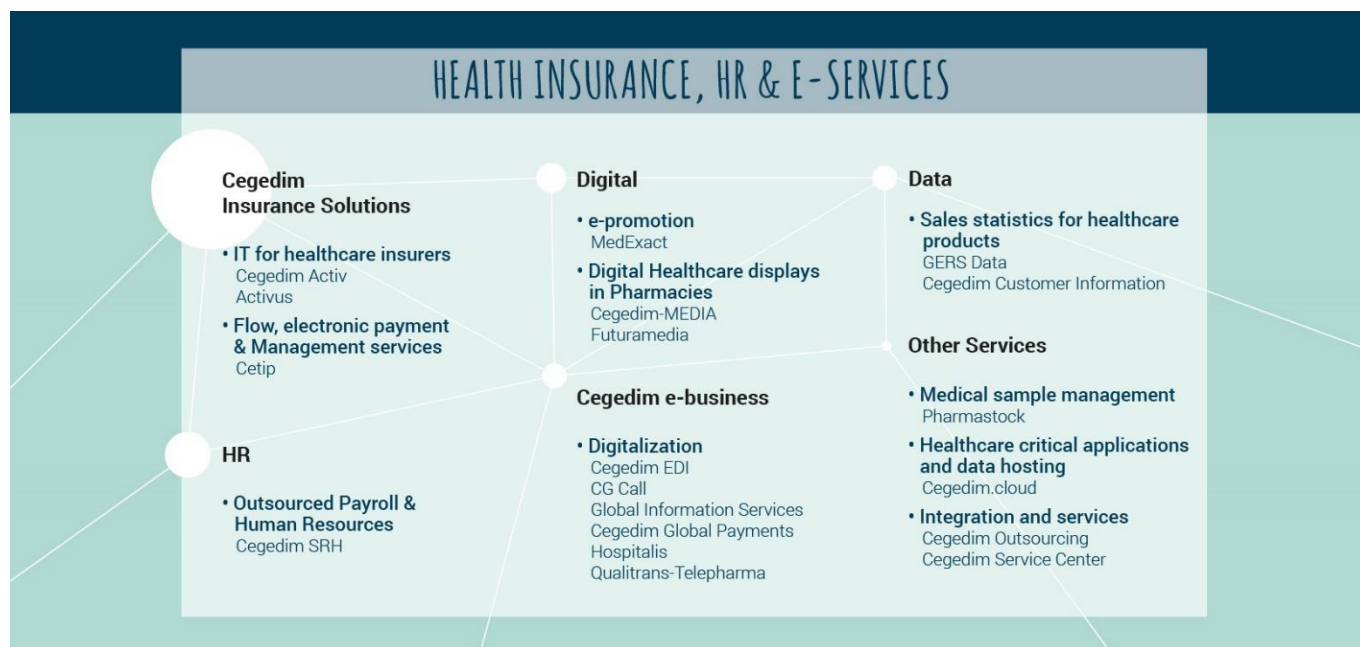
- Health insurance, HR and e-services
- Healthcare Professionals

And one non-operating division called "Corporate and other", including Group's support activities



2017 figures

1.4.1 Main business activities



Health insurance, HR and e-services

CEGEDIM INSURANCE SOLUTIONS

The *Cegedim Insurance Solutions* business unit includes all of the Group's solutions and services for insurers, supplemental insurers, provident institutions and intermediaries through its subsidiaries *Cegedim Activ*, *Cetip* and *Activus*. *Cegedim Insurance Solutions* brings together competencies across the chain of information sharing between healthcare professionals, insurance organizations and managers of compulsory and supplemental insurance plans. This entity offers expanded digital services, with innovative solutions in preventive healthcare based on managing well-being and health capital, hospitalization, home care and chronic illness.

IT for Healthcare Insurers

Cegedim Activ - France

With more than 43 million policyholders in France managed with its solutions, *Cegedim Activ* is now the leader¹ of software and services dedicated to personal insurance (supplementary health plans, mandatory health plans, and provident funds). Its products are intended for all market operators: insurance companies, supplemental health insurers, provident institutions, and intermediaries.

With its expertise in personal insurance, *Cegedim Activ* works closely with its customers to create innovative offers and help them optimize the profitability of their business. In this regard, *Cegedim Activ* has a unique combination of know-how: the expertise of its employees, the availability of technologies and an offer of consulting, integration, facilities management and healthcare flow management services.

Activus - United Kingdom

The 2015 acquisition of *Activus*, one of the leading² health and provident insurance software publishers in the United Kingdom, allowed *Cegedim Insurance*

Solution to offer a range of services to domestic or non-French speaking IPMI³ markets (Europe, United States, Middle East, Africa and Asia-Pacific), and four new client benchmarks implement the synergies of the new organizational structure following the acquisition.

It forms the international division of *Cegedim Insurance Solutions*.

Flows, Electronic Payment and Management Services

Cetip - France

In 2017, the *Cetip* consolidated its position as leader⁴ in the management of third party payment through its brands *SP Santé* and *iSanté*, with over 190 million third-party healthcare payer invoices processed now for 22 million beneficiaries and over 3 billion benefits paid per year.

Under the *iGestion* trademark, *Cetip* offers management services on behalf of third parties, in supplemental health and provident insurance, to insurance companies, provident institutions, supplemental healthcare insurers, and intermediaries.

HR

Outsourced Payroll and Human Resources Management

Cegedim SRH - France and Switzerland

Cegedim SRH offers Human Resources Departments *TEAMS^{SRH}*, a complete, modular HRIS platform via SaaS. The *TEAMS^{SRH}* solution covers a wide range of functions: payroll, personnel administration, business activities, HR indicator management, career and skills management, HR analytics, digitization of HR processes and documents, etc.

This innovative solution can be coupled with a Business Process Outsourcing (BPO) service, locally (in Boulogne, Nantes, Lyon, Toulouse, Strasbourg and Montargis) or offshore (Morocco), with the aid of the *Cegedim Service Center* (Romania). Its clients can

¹ According to in-house estimates, *Cegedim Activ*'s customers managed more than 43 million policyholders in 2017, thus establishing the company as market leader.

² *Activus* in one of the leading actors in terms of policyholders managed with its solutions, according to in-house estimates.

³ IPMI: International Private Medical Insurance.

⁴ According to in-house estimates, the *Cetip* handled more than 190 million of third-party payment flows in 2017, thus establishing the company as market leader (as in 2016, with 172 million).

start off with a limited range of functions and add to its list of outsourced services as the collaboration progresses (BPO on Demand).

In 2017, Cegedim SRH opened its Lille office in response to the growing local market.

Cegedim SRH assists more than 250 clients, national and international businesses, in all business sectors, from large and mid-market accounts.

DIGITAL

e-promotion

MedExact – France

MedExact offers a variety of digital marketing tools to physicians, pharmacists and paramedics equipped with Cegedim software.

Digital displays in pharmacies

Cegedim MEDIA – France

Cegedim-MEDIA (C-MEDIA), a leader⁵ in pharmacy communication and brand pharmacy, is a subsidiary of the Cegedim Group. It was born from the merger of RNP and Futuramedia. C-MEDIA offers 360° solutions to create an innovative shopping experience.

C-MEDIA is a unique point-of-sale media process based on:

- An understanding of the media potential of each point of sale;
- Quality of execution;
- An objective measurement of campaign performance;
- An integrated design studio;
- A team who offer advice and support throughout the creation and production of the merchandising and display print and digital campaigns;
- On a production site of more than 4,500m², dedicated to print element manufacturing and logistics uses printing and large-format

digital cutout machines to ensure responsiveness and reliability.

On the ground, thanks to a network of more than 130 promoters, C-MEDIA carries out its missions at points of sale nationwide in under three weeks.

Futuramedia – France

Futuramedia develops digital communication solutions for the Group's BUs, pharmacy groups and independent pharmacies.

Futuramedia's pharmacies and target pharmacy groups, which represent 8,000 pharmacies in France and potentially 16,000 screens to install, are not eligible for advertising services.

Futuramedia offers turnkey solutions that include:

- Leasing of hardware and software: screens, mounting, wiring, furniture, players and programming software subscriptions;
- Installation of devices: project management, technical pre-visits, installation, purchasing management, onlining and testing;
- Maintenance and customer service: onsite maintenance, hardware after-sale service, distribution licenses, hosting and servers, hotline.

CEGEDIM E-BUSINESS

Specialized in electronic data since 1989, Cegedim designs, develops and markets invoice digitization, probative value filing offers and EDI through its Cegedim e-business business unit, which groups together the activities of Cegedim EDI, CG Call, GIS (Global Information Services), Cegedim, Global Payments, Hospitalis and Qualitrans-Telepharma.

⁵ C-MEDIA is leader in pharmacy communication and brand pharmacy in terms of number of pharmacies covered by its display network (in 2017 and in 2016), according to in-house estimates.

Digitalization

Cegedim EDI - France

Dedicated to Electronic Data Interchange (EDI), the Cegedim EDI department offers electronic management of all financial and supply chain documents circulating between companies, such as purchase orders, fulfillment records, invoices, contracts, catalogs, etc.). Born from the Edipharm system for pharmacies, wholesale distributors and laboratories, this division quickly spread beyond the healthcare market, particularly to mass retailing and services.

CG Call - France

With a multi-channel solution (telephone, platform, EDI, etc.) this division handles all the different direct-sales promotion transactions on behalf of pharmaceutical companies.

Global Information Services - Europe

Global Information Services (GIS) is an SaaS platform providing the digitization and management of all types of documents — papers, structured files, images — and of processes. The platform integrates natively with all information systems, both for flows in and for flows out. Whatever the size of the business, GIS handles all its digitization needs by offering a great many ancillary services.

The GIS platform combines all services for digitizing business documents and processes GIS e-invoicing (digitizing invoices to customers and from suppliers), GIS EDI, GIS workflow, GIS sign&archive, GIS payments and GIS financing.

The KISS portal made available to major suppliers offers very small, small and medium-size businesses the advantages of going paperless free of complications. Once uploaded to KISS, invoices can be marked up (accepted, to be paid, paid) and are accessible on the portal at all times.

Cegedim Global Payments - France

Cegedim Global Payments offers a set of solutions enabling the optimization of subscription and receivables processes on the one hand and, on the other hand, digitization and electronic signature for various types of documents, and in different areas of B2C or B2B activity (contracts, selling /management /rental mandates, payment orders, HR files, etc.):

- MA€A, the application for managing SEPA orders and associated payment flows;
- CP Pass, simple or biometric electronic signature server compliant with the European eIDAS regulations; and
- CG Pay, a new bank deposit process.

Hospitalis - France

Hospitalis is a Web portal that provides information and data exchanges between healthcare institutions and their suppliers, and digitizes all flows in managing the procurement of drugs, medical equipment, and laboratory reagents. Hospitalis is now present in more than 1,300 major healthcare institutions, 28 of which are university hospitals, and was used to transmit more than 2.6 million orders in 2017.

Qualitrans-Telepharma - France

Qualitrans-Telepharma is a centralizer of claims for reimbursement (electronic care sheets - Feuilles de Soins Électroniques – FSE) from pharmacies and allocates them to the appropriate mandatory and supplemental health insurers.

DATA

Sales Statistics for Healthcare products

GERS Data – France

For more than 40 years, GERS Data has offered data and analyses for the healthcare market from a single data collection system. The offer to cover the different healthcare professionals and the distribution channel for general practitioners and hospitals. The data range (Purchases & Sales) the geographic accuracy, France to the point of sale as well as modern visualization solutions meeting the needs of the players in the self-medication drugs, food supplements, medical and dermo-cosmetic devices. The reliability and accuracy of its data have made GERS Data highly recommended with the health authorities and unions.

Cegedim Customer Information - Romania

Cegedim Customer Information Romania supplies sales statistics of pharmaceutical products in that country through a broad line of products and services for the pharmacy and hospital segments.

OTHER SERVICES

Management of Medical Samples and Promotional Material

Pharmastock - France

Pharmastock is a pharmaceutical depositary institution. Specialized in the distribution of healthcare products (drugs, medical devices, skin care, cosmetics, etc.), Pharmastock provides, in keeping with the BPDM⁶, on behalf of different pharmaceutical and cosmetics laboratories, the Storage (under controlled temperature between 8 and 25°C in secured locations), Order preparation (based on the FEFO principle) and Shipping (daily shipments by appropriate certified shippers to medical sales representatives, doctors, pharmacies, healthcare institutions, conferences, etc.) activities.

Pharmastock also handles the storage and distribution of documentation for labs as well as various manual operations (making kits, making displays, etc.).

Pharmastock offers an online order site with direct access to the inventory based on pre-defined and customized parameters based on the different user profiles.

Critical Applications and Health Data Hosting

Cegedim.cloud Services - France

Cegedim has extensive experience in facilities management for healthcare professionals, pharmaceutical companies and insurers and supplemental health insurers and in the management of financial flows and paperless exchange documents.

Because of their strategic and sensitive nature, these activities have led the Group's teams to develop expertise and deploy technical infrastructures that meet among the highest security requirements, which have been various approvals and certifications (ISO27001, ISAE3402, approval for Health Data Hosting)

Building on these strengths, Cegedim offers a complete range of cloud hosting services under the Cegedim.cloud trademark that gives users performance, security and availability levels adapted to the operation of critical applications and the processing of sensitive data.

Integration and Services

Cegedim Outsourcing - France and Morocco

Cegedim Outsourcing, specializing in the fields of IT infrastructure and Business Process Outsourcing (BPO), provides to businesses of all sizes services in two core areas of activity:

- "IT Services" includes the Integration of high added-value technological solutions (centralized management solutions for users, hyperconvergence, unified collaboration); the Information management and managed services (managing all or part of the infrastructure, Level 2/3 user support); and the Availability of IT resources. Cegedim Outsourcing provides services and innovative solutions with renowned partners such as IVANTI, SentinelOne, Nutanix, VMWare, Citrix, Microsoft, etc;
- "BPO-Customer Relations" incorporates Digitization, Contact center, and Back Office core activities. Cegedim Outsourcing proposes a multi-channel offer with its partner VOCALCOM that combines state-of-the-art technology, integration and highly secure hosting services.

Cegedim Service Center -Romania

Created in 2017, Cegedim Service Center supplements the services offered by the Cegedim Group's subsidiaries with a nearshore approach that has high added value for BPO & customer relationship management activities:

- Data processing activities in back-office mode;
- Payroll management and administrative management;
- HR Information System IT Consultancy;
- Hotline-type advice;
- Helpdesk-type technical support.

⁶ BPDM: Base de Données Publique des Médicaments or Public Drugs Database.

Healthcare Professionals

CEGEDIM HEALTHCARE SOFTWARE (CHS)

This division contains all of the Group's computerization activities for healthcare professionals. It has over 178,000 physician workstations, 20,000 pharmacist workstations and 44,000 paramedical staff using its solutions in Europe, in the United-States and in South America.

In 2017, CHS continued to grow in web programs and developing the Patient ecosystem, a true exchange platform between patients and healthcare professionals.

CHS operates in the following areas:

- Software for pharmacists (*Smart Rx* in France, *Cegedim Rx* in UK and Romania);
- Software for doctors (*CLM* in France, *INPS (Vision)* in UK, *HDMP* in Belgium, *Millennium* in Italy, *Stacks* in Spain and *Pulse Systems* in the US);
- Software for paramedical professions (*RM Ingénierie* in France);
- Medication database (*Resip/ BCB Database* in France).

Software for pharmacists

Smart Rx - France

Capitalizing on over 30 years of expertise in pharmacy IT, *Smart Rx*, Cegedim's French pharmacy division, develops and markets comprehensive, integrated software solutions, including the supply of appropriate computer hardware.

Smart Rx is at the forefront of the latest technological innovations, and is meeting its customers' occupational needs with high value-added and continuously updated solutions.

The new challenges related to the business model and to regulations such as the Pharmaceutical File, substitution goals, telemedicine, the electronic prescription of drugs, new pharmacist responsibilities from the HPST laws, etc. are some of the issues that encourage short or medium term changes in IT tools.

Cegedim Rx - United Kingdom

Cegedim Rx continues to be the leading⁷ supplier of Pharmacy software solutions and computer services in the United Kingdom, with over 39% of the pharmacy market which incorporates in excess of 14,500 pharmacies across England, Scotland, Wales & Northern Ireland

Its product line includes *Nexphase* and *Pharmacy Manager Patient Medication Record* systems, which process over 650 million electronic prescriptions every year through spine connectivity using *Cegedim Rx MHS* accredited message broker.

Cegedim Rx is also a leading⁸ supplier of Web-based systems to support the claims administration and performance management of locally commissioned pharmacy and optical services in the UK. The solutions are provided through two IT platforms: *ServicePact* for pharmacy services and *OptoManager* for optometry services.

Cegedim Rx offers products and solutions for hardware distribution and engineering, support and training for users, and sale of consumables.

Cegedim Rx - Romania

Cegedim Rx develops and provides software solutions and related services to the healthcare sector. On the local market, it is the leading⁹ software provider for pharmacies, pharmacy chains and individual doctor offices.

⁷ According to in-house estimates, Cegedim Rx equipped more than 39% of the 14,500 UK pharmacies in 2017, thus establishing the company as market leader (as in 2016, with 40% of the market estimated of 14,000 pharmacies, the target market was then reevaluated).

⁸ Following the Webstar integration.

⁹ According to in-house estimates, Cegedim Rx Romania equipped more than 35% of the pharmacists in this country in 2017, thus establishing the company as market leader (as in 2016, with the same market share).

Software for Doctors

Cegedim Logiciels Médicaux (CLM) - France

CLM offers solutions for office-based physicians, healthcare centers, multi-professional health structures and hospital practitioners:

- for private practitioners (generalists and specialists): *MLM (monLogicielMedical.com)*, *Crossway* and *MediClick* software provide simple, high-performance management of patient charts, appointments and billing, and have the certifications required by the Healthcare Collective Agreement;
- for multi-professional health structures: the *MSP MLM* solution, certified *Asip Santé e-health V2*, offers healthcare professionals (physicians, paramedical staff and pharmacists) who work in unison of the management tools, information sharing and communication suited for that arrangement;
- for healthcare centers: the *Crossway* and *MLM* software, certified *Asip Santé e-health V2*, coupled with a third-party payment management solution, offers centers efficient medical, administrative and dental management;
- For hospital practitioners, *MLM FSE*, a fully online *SESAM-Vitale* approved solution, provides a care sheet management solution that is easy to use and easy to deploy under the private practitioner contracts in place in hospitals.

INPS (Vision) - United Kingdom

INPS is in the latter stages of its development plans, aimed at increasing its market share and establishing itself as the leading provider of APPs to the "Primary Care" sector in the United Kingdom with its latest *Vision* offer.

There are national IT projects, driven separately by the National Health Service in each of the four countries in the UK that require *INPS* to continually develop and adapt *Vision* to meet the requirements for interoperability between healthcare professionals and allow simpler interactions with patients.

The *Vision* clinical application is used by approximately 6,800 doctors at around 1,300 primary care centers in the United Kingdom.

HDMP - Belgium

The second¹⁰ leading player on the Electronic Patient File market for general practitioners in Belgium with the *Health One*, solution, *HDMP* is also very active in the industrial medicine sector, out-of-hours services, prevention centers, healthcare centers, with more than 2,900 references.

Millennium - Italy

Millennium, 49% owned by *Cegedim*, is Italy's leading¹¹ medical software publisher, with *Millewin* installed on about 17,000 paying customers. *Millennium* strengthened its regional presence and is a strong shareholder of two other publishers, *Mediatec* focused on General Practitioners and *Sosepe* for Pediatricians.

Millennium and its and its subsidiaries hold more than 50% of the market.

Stacks - Spain and Chile

The leader¹² in physician software in Spain with more than 30,000 users, *Stacks* specializes in the analysis, design, and development of information systems dedicated to the healthcare sector.

Stacks also offers consulting and technical services for identification, adaptation, and integration of solutions in order to meet the needs of healthcare professionals. In this line, *Stacks* has collaborated with relevant organizations in technological transformation projects of high degree of difficulty.

¹⁰According to in-house estimates, *HDMP* is Belgium second-leading player in 2017 (as in 2016) in terms of the number of clients.

¹¹ According to in-house estimates, *Millennium* equipped more than 17,000 doctors' workstations in Italy in 2017, thus establishing the company as market leader (as in 2016).

¹² According to in-house estimates, *Stacks* equipped more than 30,000 HCPs in Spain in 2017, thus establishing the company as market leader (as in 2016).

Stacks has products for different market segments.

- Hospitals;
- Primary care centers;
- Insurance companies;
- Multi-specialty clinics.

The company has its own commercial network throughout the country. It is also present in South America through its establishment in Chile.

Pulse Systems - United States

Pulse is a Revenue Cycle Management ("RCM") company with advanced medical billing services and technologies that help physicians get paid, simply work and improve the delivery of patient services. In addition to technology enabled Revenue Cycle Management, *Pulse* provides SaaS and mobile empowered certified and integrated Electronic Health Records ("EHR"), population health, electronic prescription, practice management, medical billing clearing house, patient engagement, and payment technologies to physicians, medical service providers and patients. *Pulse* is a certified Quality Reporting Registry with the U.S. Health and Human Services Centers for Medicare & Medicaid Services ("CMS"), and helps physicians meet compliance requirements and report Quality and Meaningful Use data to the CMS.

More than 1,900 medical practices and 10,000 providers across the United States are part of the *Pulse* Network and use *Pulse* to ensure that they achieve the best possible financial and clinical outcomes.

Software for paramedical staff

RM Ingénierie - France

RM Ingénierie offers a full range of software (+4,000 line) for paramedical professions: nurses, physiotherapists, speech therapists, orthoptists,

chiropodists, podiatrists, midwives, along with a complete solution for multi-disciplinary health structures.

Designer of France's first practice management software for physiotherapists in 1984, *RM Ingénierie* has positioned itself as the French leader in management software solutions for paramedical practices with approximately 46,000 users.

RM Ingénierie also develops innovative mobility solutions:

- The *Simply Vitale* solution, which is very popular among nurses, offers an all-in-one solution for mostly nomadic practices.
- *EKO4000* offers mobility to practitioners who use the historic +4000 solution.

Medication Database

RESIP / BCB - France

RESIP (Research and Studies in Professional Information Systems) provides healthcare professionals with a scientific database to assist them in prescribing and issuing medications: the *Claude Bernard Database* (French acronym *BCB*).

The first medications and healthcare products database approved by France's Haute Autorité de Santé (HAS) in 2008, *BCB* is integrated into the various trade software which equips pharmacies, physicians and paramedical offices, and multi-disciplinary health structures (hospitals, clinics, assisted-living senior residences).

The *BCB* is also available to the general public for consultation on healthcare sites and portals as well as on Apple, Android and Windows smartphones and tablets.

1.4 Shareholding structure

Shareholders as of June 30, 2018

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Shares	Votes		
FCB	7,375,891	52.70%	14,847	7,361,044	14,722,088	14,736,935	67.52%
Bpifrance participations	419,915	3.00%	0	419,915	839,830	839,830	3.85%
Free Float ⁽¹⁾	6,131,439	43.80%	6,083,411	48,028	96,056	6,179,467	28.31%
Cegedim ⁽²⁾	69,928	0.50%	-	-	-	-	0.32%
Total	13,997,173	100.00%	6,098,258	7,826,987	15,657,974	21,756,232	100.00%

(1) The Free-Float includes the shares held by Corporate Officers and Board Directors.

(2) Including the liquidity contract.

Shareholders as of December 31, 2017

Shareholders	Number of shares held	% held	Number of single votes	Number of double votes		Total votes	% of voting rights
				Actions	Votes		
FCB	7,375,891	52.70%	14,847	7,361,044	14,722,088	14,736,935	62.70%
Bpifrance participations	2,102,061	15.02%	0	2,102,061	4,204,122	4,204,122	17.89%
Sub-total concert FCB and Bpifrance participations	9,477,952	67.71%	14,847	9,463,105	18,926,210	18,941,057	80.59%
Public ⁽¹⁾	4,506,815	32.202%	4,462,931	43,884	87,768	4,550,699	19.36%
Cegedim ⁽²⁾	12,406	0.09%	-	-	-	-	0.00%
Total	13,997,173	100.00%	4,477,778	9,506,989	19,013,978	23,491,756	99.95%

(1) The Free-Float includes the shares held by Corporate Officers and Board Directors. The detail of the Corporate Officers and Boards directors holding are presented on page 51 in section 2.3 "Interest held by corporate officers in the Company's share capital and transactions in the Company's shares by corporate officers" in the 2017 Registration Document filed with the Autorité des Marchés Financiers on March 29, 2018 under number D.17-0255.

(2) Including the liquidity contract.

1.5 Stock market indicators

1.5.1 Cegedim share

Cegedim is listed on Euronext Paris, compartment B.

ISIN code : [FR0000053506](#)

Reuters ticker: [CGDM.PA](#)

Bloomberg ticker: [CGM](#)

The Cegedim share price is posted with a short delay on Cegedim's website: [Cegedim.com](#).

1.5.2 Stock market performance as of June 30, 2018

Cegedim share performed positively during the first six months of 2018. The closing price at the end of June 2017 was up 1.3% at 33.60€. The price reached its high of €42.50 on February 1st, 2018 and its low of €33.60 on June 28, 2017.

		Jan. – Jun.	
		2018	2017
Share price at closing	€	33.60	30.40
Average for the period	€	37.63	27.53
High for the period	€	42.50	31.44
Date	€	Feb. 1	Jun. 7
Low for the period		33.60	23.94
Datr		Jun. 28	Apr. 24
Market capitalization	M€	470.3	425.5
Outstanding shares	M	14.0	14.0

1.6 Shareholders relations

Cegedim's financial communication policy is to deliver rapid, relevant and timely information on company performance to investors and the market.

One key element of communicating with the market is the publication of earnings in annual reports, interim reports and quarterly revenue reports.

Following the publication of financial media statements, Cegedim organizes a conference call. Cegedim has regular contact with institutional investors through meetings and road shows in Europe and the United States.

Financial disclosure policy

Simplicity, transparency, clarity.

Provisional financial calendar for 2017

September 18: SFAF Meeting

October 25: Fourth quarter revenue

December 11: 9th Investor Summit

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2 Overview of the interim period

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2.1 Interim period highlights

Bpifrance sells Cegedim shares

Bpifrance Participations sold 1,682,146 Cegedim shares via an accelerated bookbuilding process to French and international institutional investors at a price of €35 per share on February 13, 2018. In the context of the transaction, the shareholders' agreement dated October 28, 2009, between Mr. Jean-Claude Labrune, FCB (the family holding company controlled by Mr. Labrune), and Bpifrance – as well as the concert between the parties – has been terminated. Following the sale, Cegedim's free float increased to 44% of capital (vs. 32% before the transaction).

Cegelease and Eurofarmat definitively sold

On February 28, 2018, Cegedim announced that it had completed the disposal of Cegelease and Eurofarmat to FRANFINANCE of the Société Générale Group for an amount of €57.5 million plus reimbursement of the shareholder's loan account, which amounted to €13 million. Of this amount, Cegedim used €30 million to pay down its debt.

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

Rue de la Paye acquired in France

On March 30, 2018, Cegedim acquired French company Rue de la Paye via its Cegedim SRH subsidiary. The deal will enable the Group to market digital payroll solutions to 2 million SMEs and small businesses in France, including – importantly – thousands of healthcare professionals that are already Cegedim Group clients.

Rue de la Paye's 2017 revenues were equivalent to around 1% of 2017 consolidated Group revenues, and it earned a profit. It began contributing to the Group's consolidation scope in April 2018.

Tax

On February 21, 2018, Cegedim S.A. received notice that French tax authorities would perform an audit of its accounts covering the period January 1, 2015, to December 31, 2016.

To the best of the company's knowledge, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

2.2 Events after June 30, 2018

Independent director appointed to Cegedim SA's board

At the annual general meeting on August 31, 2018, shareholders appointed Ms. Béatrice Saunier to a six-year term as an independent director. Her term will

expire following the AGM held to approve the financial statements for the year 2023.

To the best of the company's knowledge, apart from the items cited below, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

2.3 Employees

On June 30, 2018, the Cegedim Group employed 4,307 people worldwide. Thus, the total number of employees increased by 779 people, or 1.8%, compared to the end of December 2017 (4,230 people) and increased by 56 people, or 1.3%, compared to June 30, 2016 (4,251 employees).

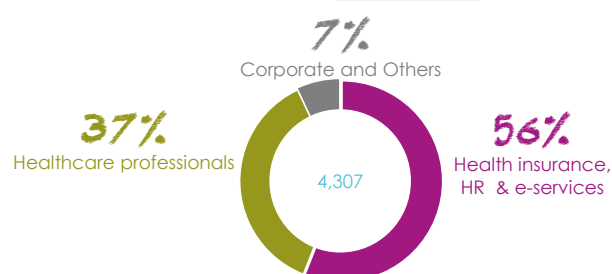
2.3.1 Employees by region

	06.30.2018	06.30.2017
France	2,905	2,890
EMEA excl. France	1,215	1,146
Americas	187	215
Cegedim Group	4,307	4,251



2.3.2 Employees by division

	06.30.2018	06.30.2017
Health Insurance, HR and e-services	2,410	2,265
Healthcare Professionals	1,588	1,621
Activities not allocated	309	305
Cegedim Group	4,307	4,191



2.4 Risk factors and related party transactions

2.4.1 Risk factors

A description of the Group's main risks is available in the 2017 Registration Document filed with the Autorité des Marchés Financiers (French Financial Market Authority – AMF) on March 29, 2018 under number D.18-0219, in Chapter 4.2, Risk and insurance, from page 65 to page 81. During the first six months of 2018, Cegedim identified no other significant changes.

2.4.2 Related party transactions

A description of transactions with related parties is available in Chapter 4, point 4.6, note 6.3 page 135, and page 236, point 8.5 of the 2017 Registration Document filed with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) on March 29, 2016. Under number D.18-0219. During the first six months of 2018, Cegedim identified no other significant related party transactions.

2.5 Analysis of the financial position of the Cegedim Group

2.5.1 2018 half year consolidated P&L

In € million		06.30.2018	06.30.2017	Change
Revenue	€M	227.6	224.1	+1.6%
Purchases used	€M	(15.4)	(16.7)	(8.1)%
External expenses	€M	(58.5)	(65.0)	(10.0)%
Payroll costs	€M	(114.6)	(108.3)	+5.8%
Other income and expenses	€M	(5.9)	(4.3)	+37.4%
EBITDA	€M	33.3	29.8	+11.8%
EBITDA margin	%	14.6	13.3	+134bps
Depreciation	€M	(21.4)	(19.5)	+9.3%
EBIT before special items	€M	11.9	10.2	+16.7%
EBIT before special items margin	%	5.2	4.6	+68bps
Special items	€M	(9.6)	(11.7)	(17.8)%
EBIT	€M	2.3	(1.5)	(256.6)%
EBIT margin	%	1.0	(0.7)	+168bps
Cost of net financial debt	€M	(2.2)	(3.4)	(35.3)%
Total taxes	€M	(0.8)	(1.2)	(36.8)%
Profit (loss) from continuing activities	€M	(0.7)	(6.1)	(89.2)%
Net profit (loss) from activities held for sale	€M	0.0	2.4	n.m.
Net profit (loss) from activities sold	€M	1.3	0.0	n.m.
Net profit attributable to owners of the parent	€M	0.7	(3.8)	n.m.

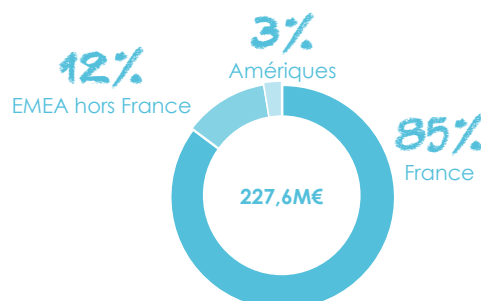
Revenue increased by € 3.6 million, or 1.6%, to € 227.6 million in the first half of 2018, compared to €224.1 for the first half of 2017. Excluding an unfavorable currency translation effect of 0.5% and a 0.8% boost from acquisitions, revenues rose 1.1%.

The unfavorable currency translation effect of €0.6 million, or 0.5 %, was chiefly due to the €0.8 million negative impact of the US dollar, which represents 2.5% % of Group revenues and of the 0.3 million of the pound sterling, which represents 9.7%.

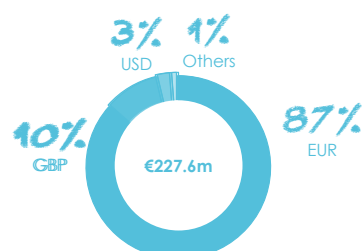
The € 1.0 million positive impact from acquisitions, or 0.8%, was mainly due to the acquisition of *Rue de la paye* in France in March 30, 2016.

In like-for-like terms, the *Health insurance, HR and e-services* division's revenues rose 6.0% and the *Healthcare professionals* division's revenues fell 5.2%.

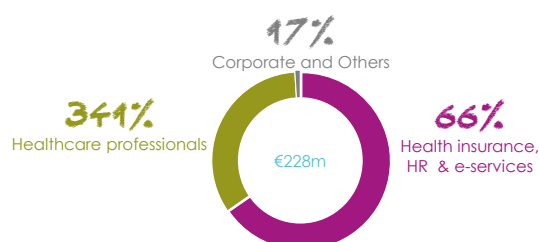
By geographic region, the relative contribution of France climbed by 2.7 points to 85.2 %, whereas EMEA (excluding France) and the Americas fell respectively by 1.7 and 1.0 points to respectively 12.2 % and 2.6%.



The **breakdown of revenue by currency** has marginally changed since the same period last year: the euro climbed by 2 points to 86.5% and the pound sterling and the US dollar fell by 1 point to respectively 9.8% and 2.5%, whereas other currencies remained relatively stable at 1.2%.



By division, the **breakdown of Group revenue** remains relatively stable. The contribution of the *Health Insurance, HR and e-services* division increased by 3.1 points to 65.7%, whereas that of the *Healthcare Professionals* division decreased by 3.1 points to 33.5%. The contribution of the *Activities not allocated* division remained relatively stable at 0.9%.



Operational charges

Purchases used decreased by € 1.4 million, or 8.1%, to €15.4 million in the first half of 2018, compared to €16.7 million in the first half of 2017. The purchases used represented 6.7% of consolidated revenues in the first half of 2018, compared to 7.5% in the first half of 2017. This decrease in purchases used was primarily due to the trend at the computerization of UK physicians.

External expenses decreased by €6.5 million, or 10.0%, to €58.5 million in the first half 2018, compared to €65.0 million in the first half of 2017. The external expenses represented 25.7% of consolidated revenue in the first half of 2018, compared to 29.0% in the first half of 2017. This decrease in external expenses was primarily due to lower use of temporary employees at the Group level mainly in activities for health insurances business. Some of this employees have been hired.

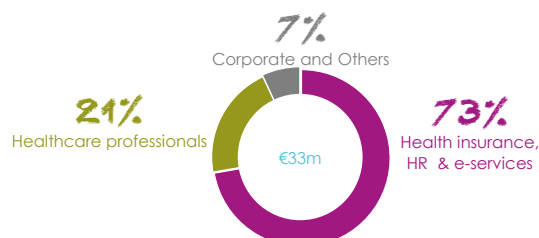
Payroll costs increased by € 6.3 million, or 5.8%, to € 114.6 million in the first half of 2018, compared to €108.3 million in the first half of 2017. The payroll costs represented 50.3% of consolidated revenue in the first half of 2018, compared to 48.3% in the first half of 2017. The increase in payroll costs mainly reflects an increase in number of employees related to the hiring of some temporary employees and the development of the e BPO offering.

The introduction of the CICE ("Crédit d'impôt pour la compétitivité et l'emploi" -Tax credit for competitiveness and employment) in France in 2013 reduced the payroll cost in the P&L. In the first half of 2018, the impact on payroll cost is a reduction of €1.6 million as of in the first half of 2017.

L'EBITDA increased by €3.5 million, or 11.8%, to €33.3 million in the first half of 2018 compared to €29.8 million in the first half of 2017. The EBITDA represented 14.6% of consolidated revenue in the first half of 2018, compared to 13.3% in the first half of 2017. This increase in EBITDA reflected the trends in revenue, purchases used, external expenses and payroll costs based on the factors set out above.

In the first half of 2018, the *Health Insurance, HR and e-services* division contributed to 72.7% of the consolidated EBITDA, compared to 20.7% for the *Healthcare Professionals* division, and the *Activities not allocated* division contributed by 6.6%.

EBITDA breakdown by division



EBIT before special items (Operating income before special items) increased by €1.7 million, or 16.7% to €11.9 million in the first half of 2018, compared to €10.2 million in the first half of 2017. The EBIT represented 5.2% of consolidated revenue in the first half of 2018, compared to 4.6% in the first half of 2017. This increase was due to an increase of € 3.5 million in EBITDA partially offset by an increase of €1.8 million in depreciation expenses, from €19.5 million in the first half of 2017, to €21.4 million in the first half of 2018. The major part of this €1.8 million increase results from a €1.1 million increase in R&D depreciation expenses that amounted to €14.1 million in the first half of 2018, compared to €13.1 million in the first half of 2017.

In the first half of 2018, the *Health Insurance, HR and e-services* division contributed to 112.2 % of the consolidated EBIT before special items, whereas the *Healthcare Professionals* and the *Activities not allocated* division contributed negatively respectively by 7.5% and 4.7%.

Special items in the first half of 2018 amounted to a €9.6 million charge, against an €11.7 million charge in the year-earlier period. The decline was mainly attributable to a drop in intangible fixed asset amortization linked to assets set to become obsolete, partly offset by an increase in restructuring costs, including €4 million in fees related to the Cegelease divestment.

Breakdown of special items by nature

In € million	30.06.2018	30.06.2017
Allowance and depreciations	(2.7)	(8.1)
Restructuring costs	(5.8)	(2.5)
Other non(recurring income and expenses	(1.2)	(1.1)
Special items	(9.6)	(11.7)

Breakdown of special items by division

In € million	30.06.2018	30.06.2017
Health Insurance. HR. e(services	(0.7)	(0.7)
Healthcare professionals	(4.4)	(9.7)
Activities not allocated	(4.5)	(1.4)
Special items	(9.6)	11.7

EBIT increased by €3.8 million to a profit of € 2.3 million in the first half of 2018, compared to a loss of €1.5 million in the first half of 2017. The EBIT represented 1.0% of consolidated revenue in the first half of 2018, compared to 0.7% in the first half of 2017. This increase was due to the €2.1 million decrease in special items and by the €1.7 million increase in EBIT before special items.

Financial Charges

Total cost of net financial debt decreased by €1.2 million, or 35.3%, to €2.2 million in the first half of 2018, compared to €3.4 million in the first half of 2017. The decline reflects the positive impact of refinancing carried out in the first half of 2017.

Tax expense amounted to a charge of €0.8 million in H1 2018 compared with a €1.2 million charge in H1 2017, chiefly due to the recognition of deferred tax assets in France.

Net results

Consolidated net profit from continuing activities amounted to a €0.7 million loss in the first half of 2018, compared to €6.1 million loss in the first half of 2017. This €5.4 million increase in consolidated net loss from continuing activities reflected the trends in revenue, EBIT, special items, cost of net financial debt and tax expense based on the factors set out above

Net profit from discontinued activities amounted to a €1.3 million in the first half of 2018. At June 30, 2017 no activity has been classified as discontinued activities.

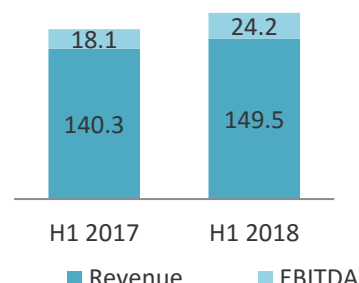
Net profit from activities held for sale amounted to a €2.4 million in the first half of 2017. At June 30, 2018 no activity has been classified as active held for sale. After taking into account minority interests, **the consolidated net profit attributable to the Group** amounted to a €0.7 million in the first half of 2018, compared to a €3.8 million loss in the first half of 2017.

Earnings per share before special items amounted to a €0.2 profit in the first half of 2018, compared to €0.1 loss for the same period one year ago. **Earnings per share** amounted to a €0.0 profit in the first half of 2018, compared to a €0.3 loss one year ago

2.5.2 Analysis of the financial position by division

2.5.2.1 Health Insurance, HR and e-services Division

In € million	06.30.2018	06.30.2017	Change
Revenues	149.5	140.3	+6.6%
EBITDA	24.2	18.1	+33.5%
EBITDA margin	16.2%	12.9%	327bps
Depreciation	(10.8)	(9.3)	+16.0%
EBIT before special items	13.4	8.8	+52.1%
EBIT margin	9.0%	6.3%	268bps
Special items	(0.7)	(0.7)	+8.2%
EBIT	12.7	8.1	+55.7 %



Revenue for the *Health Insurance, HR and e-services* increased by €9.3 million, or 6.6%, to €149.5 million in the first half of 2018, compared to €140.3 million in the first half of 2017. Currency effects made a negative contribution of 0.1%. The March 30, 2018, *Rue de la Paye* acquisition in France boosted revenues by 0.7%. Like-for-like revenues rose 6.0% over the period.

The *Health insurance, HR and e-services* division represented 65.7% of first half 2018 consolidated revenues, compared with 62.6% over the same period a year earlier.

By geographic region, the relative contribution of France and EMEA (excluding France) remained relatively stable at respectively 97.0% and 3.0%.

The breakdown of revenue by currency has not changed since the same period last year: the euro represent 97.0%, the pound sterling 2.0% and the other currencies 1.0%.

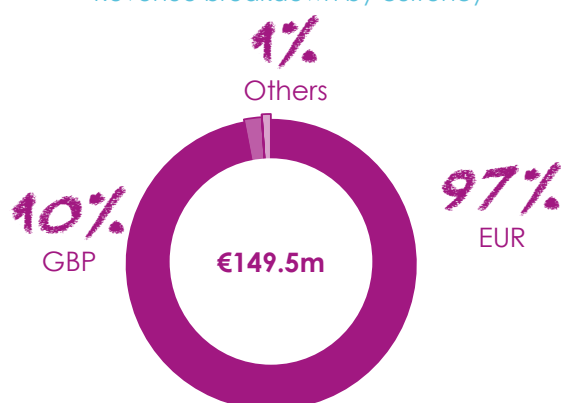
The businesses that made the biggest contributions to first-half revenue growth were *Cegedim SRH* (HR management solutions), *Cegedim e-business* (digitalization and data exchange), sales statistics for pharmaceutical products, and third-party payment flow management in France.

EBITDA climbed by €6.1 million, or 33.5%, to €24.2 million in the first half of 2018, compared to €18.1 million in the first half of 2017. It represented 16.2% of consolidated revenue in the first half of 2018, compared to 12.9% in the first half of 2017.

The businesses that made the biggest contributions to first-half EBITDA growth were *Cegedim SRH*, sales statistics for pharmaceutical products, *Cegedim e-business*, and third-party payment flow management in France.

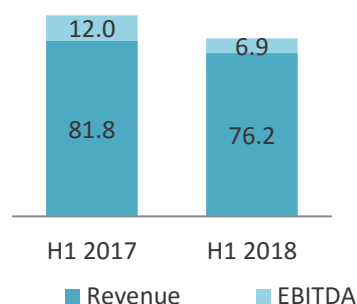
EBIT before special items (Operating income from recurring operations) increased by €4.6 million, or 52.1%, to €13.4 million in the first half of 2018, compared to €8.8 million in the first half of 2017. It represented 9.0% of consolidated revenue in the first half of 2018, compared to 6.3% in the first half of 2017. This increase in EBIT was primarily due to the €6.1 million of EBITDA and to a €1.5 million increase in depreciation.

Revenue breakdown by currency



2.5.2.2 Healthcare Professionals Division

In € million	06.30.2018	06.30.2017	Change	
Revenues	76.2	81.8	(6.9)%	
EBITDA	6.9	12.0	(42.4)%	
EBITDA margin	9.1%	14.6%	(557)bps	
Depreciation	(7.8)	(7.3)	+6.4%	
EBIT before special items	(0.9)	4.6	n.m.	
EBIT margin	(1.2)%	5.7%	(685)bps	
Special items	(4.4)	(9.7)	(54.3)%	
EBIT	(5.3)	(5.1)	5.3%	



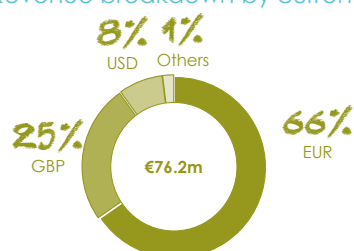
Revenue for the *Healthcare Professionals* division decreased by €5.7 million, or 6.9%, to €76.2 million in the first half of 2018, compared to €81.8 million in the first half of 2017. Currency effects made a negative contribution of 1.7%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues decreased by 6.8% over the period.

The *Healthcare professionals* division represented 33.5% of consolidated revenues, compared with 36.5% over the same period a year earlier

By geographic region, the relative contributions of France climbed by 4.4 points to 61.7% and the EMEA (excluding France), whereas the Americas fell respectively by 2.4 and 2.0 points to respectively 30.5% and 7.9%.

The breakdown of revenue by currency has marginally changed since the same period last year: the euro climbed by 4 points to 65.6% whereas the pound sterling and the US dollars fell each by 2 points to respectively 25.3% and 7.6%.

Revenue breakdown by currency



As expected, first-half revenue were hampered by the doctor computerization businesses in the US, the UK and Spain ahead of the release of new versions, whose impact will not be felt until 2019.

EBITDA decreased by €5.1 million, or 42.4% to €6.9 million in the first half of 2018, compared to €12.0 million in the first half of 2017. It represented 9.1% of consolidated revenue in the first half of 2018, compared to 14.6% in the first half of 2017.

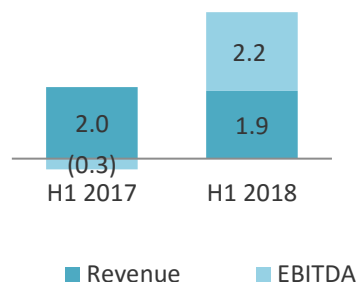
EBITDA fell mainly because of doctor computerization activities in the US and Spain, and pharmacy computerization in France owing to a demanding comparison.

EBIT before special items (Operating income from recurring operations) decreased by €5.5 million, to €0.9 million loss in the first half of 2018, compared to €4.6 million profit in the first half of 2017. It represented 1.2% of consolidated revenue in the first half of 2018, compared to 5.7% in the first half of 2017. This decrease in EBIT was primarily due to the €5.1 million decreased in EBITDA and by a €0.5 million increase in depreciation expenses.

Special items decreased by €5.3 million to €4.4 million in the first half of 2018, compared to €9.7 million in the first half 2017. This level of exceptional charges chiefly reflects a €2.8 million provision, net of amortization reversals, for intangible asset obsolescence in the US.

2.5.2.3 Activities not allocated Division

In € million	06.30.2018	06.30.2017	Change	
Revenues	1.9	2.0	(2.8)%	
EBITDA	2.2	(0.3)	n.m.	
EBITDA margin	113.7%	(15.8)%	n.m.	
Depreciation	(2.8)	(2.9)	(4.7)%	
EBIT before special items	(0.6)	(3.2)	(82.5)%	
EBIT margin	(29.0)%	(161.5)%	n.m.	
Special items	(4.5)	(1.4)	+231.1%	
EBIT	(5.0)	(4.6)	+10.3%	



Revenue for *Activities not allocated* decreased by €0.1 million, or 2.8%, to €1.9 million in the first half of 2018, compared to €2.0 million in the first half of 2017. There were no divestments or acquisitions and there was no impact from foreign currency translations.

The *Activities not allocated* division represented 0.9% of consolidated revenues, as of the same period a year earlier

This trend reflects the performance of *Cegedim_IT*.

EBITDA increased by €2.5 million, to a €2.2 million profit in the first half of 2018, compared to €0.3 million loss in the first half of 2017. It represented 113.7% of consolidated revenue in the first half of 2018,

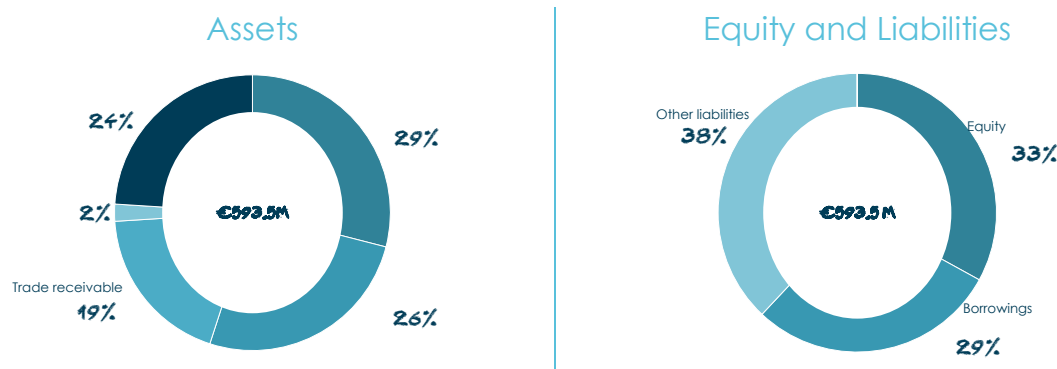
compared to 15.8% in the first half of 2017. EBITDA growth is attributable to the performance of *Cegedim_IT*.

EBIT before special items (*Operating income from recurring operations*) indecreased by €2.7 million, or 82.5%, to a €0.6 million loss in the first half of 2018, compared to €3.2 million loss in the first half of 2017. It represented 29.0% of consolidated revenue in the first half of 2018, compared to 161.5% in the first half of 2017. This positive trend in EBIT before special items was primarily due to the €2.5 million increase in EBITDA and the €0.1 million decrease in depreciation expenses.

2.5.3 Financial structure as of June 30, 2018

2.5.3.1 Consolidated Balance Sheet

SIMPLIFY CONSOLIDATED BALANCE SHEET



In € million	Note	06.30.2018	12.31.2017	Change
Assets				
Goodwill		173.3	167.8	+3.3%
Intangible assets		151.2	145.8	+3.7%
Tangible assets		33.4	33.2	+0.7%
Financial assets	a	19.5	20.4	(4.0)%
Other non-current assets	b	40.0	38.2	+4.9%
Total non-current assets		417.5	405.3	+3.0%
Trade receivables – Long-term portion		110.0	118.2	(6.9)%
Cash & cash equivalent		13.6	18.7	(27.4)%
Other current assets		52.5	84.2	(37.7)%
Total current assets		176.0	221.1	(20.4)%
Total assets		593.5	746.2	(20.5)%
Liabilities				
Long-term financial debt	c	171.1	250.8	(31.8)%
Other non-current liabilities		34.4	32.8	(3.7)%
Total non-current liabilities		205.5	283.6	(27.6)%
Short-term financial debt	c	2.2	4.0	(45.9)%
Other current liabilities	d	190.8	198.2	+4.9%
Total current liabilities		193.0	202.2	(4.6)%
Total liabilities excluding Shareholders' equity		398.5	548.9	(27.4)%
Shareholders' equity	e	195.0	197.3	(1.2)%
Total Liabilities and shareholders' equity		593.5	746.2	(20.5)%

a) Excluding equity shares in equity method companies.

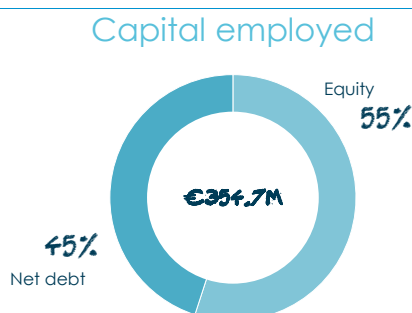
b) Including deferred tax of €28.9 million for June 30, 2017, and €27.3 million for December 31, 2017.

c) Long-term and short-term liabilities include liabilities under our employee profit sharing plans in the total amount of €6.6 million for June 30, 2018, and €7.2 million for December 31, 2017.

d) Including "tax and social liabilities" of €77.8 million for June 30, 2018, and €83.1 million for December 31, 2017. This includes VAT, French and US profit-sharing schemes, provisions for leave days, social security contributions in France, French health coverage and wage bonuses.

e) Including minority interests of €0.1 million for June 30, 2018, and €0.0 million for end-December 2017.

NET FINANCIAL DEBT



In € million	Note	06.30.2018	12.31.2017	Change
Long-term financial debt		171.1	250.8	(31.8)%
Short-term financial debt		2.2	4.0	(45.9)%
Gross debt		173.2	254.9	(32.0)%
Cash and cash equivalent		13.6	18.7	(27.4)%
Net financial debt		159.7	236.2	(32.4)%
Equity		195.0	197.3	+1.1%
Gearing	f	0.8	1.2	(33.1)%

f) Net financial debt to Total equity ratio.

The structure of debt at June 30, 2018 was as follows:

- 170 million euro revolving credit, of which 120 million euro was drawn as of June 30, 2018 ; maturing on January 14, 2021 ;
- 45.1 million euro FCB loan maturing in January 2021 ;
- 24.0 million euro overdraft facility, of which 0.0 million euro was drawn as of June 30, 2018.

The table below sets out Cegedim's principal financing arrangements as of June 31, 2018.

In millions of euros	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Revolving credit facility	120.0	-	120.0	-
FCB Loan	45.1	-	45.1	-
Overdraft facility	0.0	0.0	-	-
Total	165.1	0.0	165.1	-

The Group also rely to non-recourse factoring agreement of which €28.5 million was drawn as of June 30, 2018.

Interest rate

In the first half of 2018, the applicable margin on amount drawn under the Revolving Credit Facility was 1.40% from January 1, 2018 to April 29, 2018 and 1.10% from April 30, 2018 to June 30, 2018.

In the first half of 2017, the applicable margin on amount drawn under the Revolving Credit Facility was 1.40%.

The FCB Loan bears interest at a rate of 200 basis points above the rate applicable under the Credit Revolver Facility Agreement. The interest is payable semiannually on June 30 and December 31 of each year.

COMMENTS OF THE CONSOLIDATED BALANCE SHEET

Consolidated total balance sheet amounted to €593.5 million at June 30, 2018, a 20.5% decrease over December 31, 2017.

Acquisition Goodwill amounted to €173.3 million at June 30, 2018, compared with €167.8 million at December 31, 2017. The €5.5 million increase, or 3.3%, was chiefly attributable to the €6.5 million impact of the *Rue de la paye* acquisition in France. Acquisition goodwill represented 29.2% of the total balance sheet at June 30, 2018, compared with 22.5% at December 31, 2017.

Intangible assets increased by €5.4 million, or 3.7%, to €151.2 million at June 30, 2018, compared to €145.8 million at December 2017. This increase mainly reflect the €2.8 million, accelerated amortization of intangible fixed assets in the US, net of amortization reversals and the €1.3 million decrease in capitalized R&D. The intangible assets represented 25.5% of total assets at the end of June 2018, compared to 19.5% at end of December 2017.

Tangible assets increased by €0.2 million, or 0.7% to €33.4 million at June 30, 2018, compared to €33.2 million at December 2017. The tangible assets represented 5.6% of total assets at the end of June 2018 compared to 4.4% at December 31, 2017.

Trade receivables decreased by €8.3 million, or 7.0%, to €110.1 million at end of June 2018, compared to €118.4 million at end of December 2017.

- **Long-term portion** is virtually stable at €0.1 million at June 30, 2018, compared to €0.2 million at December 2017. It represented 0.0% of total assets at June 30, 2018 as of at December 31, 2017.
- **Short-term portion** decreased by €8.2 million, or 6.9%, to €110.0 million, compared to €118.2 million at December 31, 2017. This decrease mainly reflects more effective recovery of trade receivables and increased use of non-recourse factoring in the first half of 2018. It represented 18.4% of total assets at June 30, 2018, compared to 15.8% at December 31, 2017.

The trade receivables represented 18.5% at June 2018, compared to 15.9% at December 2017.

Cash and equivalents came to €13.6 million at June 30, 2018, a €5.1 million decrease compared with December 31, 2017. The decline was principally due to the generation of €28.3 million in cash from operations before the net cost of financial debt and tax, the payment of €0.7 million in tax, a €11.5 million reduction of WCR, and the generation of €85.1 million in cash from financing operations, mainly from the reimbursement of the revolving credit facility and a lower drawing of it. These developments were partially offset by €36.4 million in cash in related to investment transactions related to the disposal of *Cegelease* and *Eurofarmat*. For more information refer the point 2.5.3.2 page 25 *comments on the cash flow statement*. The cash and cash equivalent represented 2.3% of total assets at June 30, 2018 compared to 2.5% at December 2017.

Long-term financial debt decreased by €79.8 million, or 31.8%, to €171.1 million, compared to €250.8 million at December 31, 2017. This decrease stemmed mainly from the disposal of *Cegelease* and *Eurofarmat* whose proceed were used to reimburse partly the Credit Revolver Facility. Long-term liabilities include liabilities under Cegedim's employee profit-sharing plans in the total amount of €5.3 million at the end of June 2018, compared to €5.2 million at December 31, 2017.

Short-term financial debt decreased by €1.9 million, or 45.9%, to €2.2 million at June 30, 2018, compared to €4.0 million at December 2017. This decrease reflects mainly the payment of the earnout related to the *Activus* acquisition, which was earmarked at €1.1 million at December 31, 2017, and the €0.7 million decrease in liabilities under Cegedim employee profit sharing plans. Short-term liabilities include liabilities under Cegedim employee profit sharing plans in the total amount of €1.4 million at the end of June 2018 compared to €2.1 million at the end of December 2017.

Total financial debt amounted to €173.2 million at June 30, 2018, a decrease of €81.6 million, or 32.0%. Total net financial debt amounts to €159.7 million, a decrease of €76.5 million compared to six months earlier. The total financial debt represented 81.9% of equity at June 30, 2018, compared to 119.7% at December 2017. Long-term and short-term financial debt include liabilities under Cegedim employee profit sharing plans in the total amount of €6.6 million, and €7.3 millions of other liabilities at the end of June 2018.

Financial net debt trend

In millions of euros	Net financial debt
06.30.2015	165.7
12.31.2015	167.6
06.30.2016	216.6
12.31.2016	226.8
06.30.2017	237.0
12.31.2017	236.2
06.30.2018	159.7

Shareholders' equity rose €2.3 million, or 1.2%, to €195.0 million at June 30, 2018, compared with €197.3 million at December 31, 2017. The increase was primarily due to an additional €8.7 million of Group reserves, which were partly offset by a €0.7 million negative movement in currency translation reserves and the €10.5 million decline in Group net profit. Shareholders' equity represented 32.9% of the total balance sheet at end-June 2018 compared with 26.4% at end-December 2017.

Off-balance sheet commitments

Cegedim S.A. provides guarantees and securities on the operational or financing obligations of its subsidiaries in the ordinary course of business. Existing guarantees at December 31, 2017, did not change significantly during the first six months of 2018. See note 10.4 of the Interim Consolidated Financial Statement.

2.5.3.2 Consolidated cash flow sources and amounts

SUMMARIZED CONSOLIDATED CASH FLOW STATEMENT

In € million	06.30.2018	06.30.2017
Gross cash-flow	28.3	34.1
Tax paid	(0.7)	(2.2)
Change in working capital	+11.5	+3.8
Net cash provided by (used in) operating activities	39.1	35.6
<i>Of which net cash provided by (used in) operating activities held for sale</i>	<i>(5.1)</i>	<i>1.0</i>
Net cash provided by (used in) investing activities	36.4	(41.9)
<i>Of which net cash provided by (used in) investing activities held for sale</i>	<i>13.9</i>	<i>0.1</i>
Net cash provided by (used in) financing activities	(85.1)	+3.9
<i>Of which net cash provided by (used in) financing activities</i>	<i>(13.1)</i>	<i>0.1</i>
Total cash flows excluding currency impact	(9.5)	(2.3)
Change due to exchange rate movements	0.1	(0.4)
Change in cash	(9.4)	(2.7)
<i>Net cash at the beginning of the period</i>	<i>23.0</i>	<i>20.7</i>
<i>Net cash at the end of the period</i>	<i>13.6</i>	<i>18.0</i>

COMMENTS ON THE CASH FLOW STATEMENT

Net cash-flow from operating activities increased by €3.5 million to €39.1 million at end of June 2018, compared to €35.6 million at the end of June 2017. This improvement mainly reflects the significant decrease in WCR, in tax paid, in cost of net debt and in consolidated earnings.

Working capital levels vary as a result of several factors, including seasonality and the efficiency of the receivables collection process. Historically, Cegedim has financed its working capital requirements with cash on hand and amounts available under the Revolving Credit Facility and overdraft facilities.

Change in Working Capital amounted to an outflow of €11.5 million at the end of June 2018, compared to an outflow of €3.8 million twelve months earlier. This €7.7 million decrease of in WRC reflects mainly the impact of reimbursing the *Cegelease* shareholder's loan account as part of that company's divestment.

Net cash from operating activities amounted to an outflow of €11.4 million, compared to outflow of €6.1 million. The €5.2 million improvement was chiefly attributable to reductions in WCR and in acquisitions of tangible and intangible fixed assets, partly offset by a decline in gross cash flow.

In € million	06.30.2018	06.30.2017
Cash flow from operating activities before tax and interest	28.3	34.1
Change in working capital requirement	+11.5	+3.8
Corporate tax paid	(0.7)	(2.2)
Net cash from operating activities	39.1	35.6
Acquisitions of intangible and tangible assets	(27.9)	(29.7)
Disposal of intangible and tangible assets	+0.1	0.2
Free cash flow from operations	+11.4	+6.1

Net cash flow used in investing activities decreased by €78.3 million to an inflow of €36.4 million at end of Jun 2018, compared to an outflow of €41.9 million at end of June 2017. This change is mainly attributable to the divestment of *Cegelease* and *Eurofarmat* and the acquisition of *Rue de la Paye* in the first half of 2018 for a net sum of €64.5 million.

CAPITAL EXPENDITURES

In € million	06.30.2018	06.30.2017
Capitalized R&D	(21.2)	(22.5)
Maintenance Capex	(6.6)	(6.5)
Total Capex excluding Acquisition / disposal	(27.8)	(29.1)
Acquisition / Disposal	+64.5	(3.0)
Total capital expenditures	+36.8	(32.1)

Capital expenditures came to €27.9 million, a decrease of €1.3 million compared to June 30, 2017. The capital expenditures breakdown was as follows: €21.2 millions of capitalized R&D and €6.6 million in maintenance capex. The capital expenditures represented 12.2% of consolidated revenue in the first half of 2018. The inflow related to acquisition and disposal came to €64.5 million.

Payroll expenses for the R&D workforce represent the majority of the total R&D cost and around 13.1% of the last twelve months Group revenue. Although this percentage is not a targeted figure, it has increased compared to the past several years. Of this R&D expenditure, approximately half is capitalized annually in accordance with IAS 38, which requires that (i) the project is clearly identified and the related costs are separable and tracked reliably; (ii) the technical feasibility of the project has been demonstrated, and the Group has the intention and the financial capacity to complete the project and use or sell the products resulting from this project; and (iii) it is probable that the developed project will generate future economic benefits that will flow to the Group.

At the end of June 2018, €21.2 millions of R&D costs were capitalized, a €1.3 million decrease compared to June 30, 2017. This figure came from a reduction of payroll costs and external expenses. The remaining R&D costs are recorded as expenses for the period in which they were incurred.

Net cash flow used in financing activities increased by €89.0 million, to an outflow €85.1 million at the end of June 30, 2018 compared to an inflow of €3.9 million at June 30, 2017. This change primarily reflects the impact of reimbursing the amounts drawn on the RCF. RCF drawings amounted to €200 million at June 30, 2017, compared with €120 million at June 30, 2018.

The change in net cash from operations, from investment operations and from financing operations was a decrease of €9.5 million at the end of June 2018, including a €0.1 million negative contribution from exchange rate movements.

2.6 Outlook

Cautiously optimistic for 2018

Building on the efforts that it executed with success in 2017, Cegedim continues to pursue its strategy of focusing on organic growth, fueled by a policy of sustained innovation.

For 2018, the Group expects modest like-for-like revenue and EBITDA margin growth. Most of the full-year margin improvement will have taken place in the first half.

The Group does not issue any earnings estimates or forecasts.

Potential Brexit impact

Cegedim deals in local currency in the UK, as it does in every country where it is present. Thus, Brexit is unlikely to have a material impact on the Group's consolidated EBIT margin before special items.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK.

The figures cited above include guidance on Cegedim's future financial performances. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 2 points 4.2, "Risk factors and insurance", and 5.5, "Outlook", of the 2017 Registration Document filed with the AMF on March 29, 2018, under number D.18-0219.

3

Consolidated condensed financial statement

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3.1 Consolidated balance sheet

3.1.1 Assets

<i>In thousands of euros</i>	Note	06.30.2018 Net	12.31.2017 Net
Goodwill on acquisition	6.1	173,293	167,758
Development costs		41,964	22,887
Other intangible fixed assets		109,275	122,962
Intangible fixed assets		151,239	145,849
Property		544	544
Buildings		3,839	4,127
Other tangible fixed assets		29,007	28,057
Construction work in progress		1	444
Tangible fixed assets		33,391	33,172
Equity investments		1,214	913
Loans		12,875	12,986
Other long-term investments		5,455	6,454
Long-term investments – excluding equity shares in equity method companies		19,544	20,353
Equity shares in equity method companies	2.2	10,351	10,072
Government – Deferred tax	8.1	28,902	27,271
Accounts receivable: Long-term portion	4.3	147	210
Other receivables: Long-term portion		0	-
Financial instruments		629	622
Non-current assets		417,495	405,308
Services in progress		72	78
Goods		3,448	3,567
Advances and deposits received on orders		323	325
Accounts receivable: Short-term portion	4.3	109,982	118,170
Other receivables: Short-term portion		38,688	71,220
Cash equivalents		153	8,000
Cash		13,430	10,718
Prepaid expenses		9,921	8,989
Current assets		176,017	221,068
Asset of activities held for sale or sold	3.3	-	119,847
Total assets		593,512	746,223

3.1.2 Equity and liabilities

<i>In thousands of euros</i>	Note	06.30.2018	12.31.2017
Share capital		13,337	13,337
Group reserves		186,568	177,881
Group exchange gains/losses		-5,663	-5,008
Groupe earnings		655	11,147
Shareholders' equity, Group share		194,898	197,357
Minority interests (reserves)		121	-25
Minority interests (earnings)		29	14
Minority interests		150	-11
Shareholders' equity		195,047	197,346
Long-term financial liabilities	7.1	171,059	250,830
Long-term financial instruments		1,025	928
Deferred tax liabilities	8.1	7,128	6,362
Non-current provisions		26,208	25,445
Other non-current liabilities	4.4	37	56
Non-current liabilities		205,457	283,621
Short-term financial liabilities	7.1	2,185	4,040
Short-term financial instruments		1	2
Accounts payable and related accounts		40,872	46,954
Tax and social liabilities		77,756	83,118
Provisions		3,016	3,025
Other current liabilities	4.4	69,178	65,098
Current liabilities		193,007	202,236
Liabilities of activities held for sale or sold	3.3	-	63,020
TOTAL Liabilities		593,512	746,223

3.2 Consolidated income statement

<i>In thousands of euros</i>	Note	06.30.2018	06.30.2017	Change
Revenue		227,633	224,069	1.6%
Purchases used		-15,365	-16,723	-8.1%
External expenses		-58,501	-65,018	-10.0%
Taxes		-4,640	-4,030	15.1%
Payroll costs	5.1	-114,566	-108,259	5.8%
Allocations to and reversals of provisions		-2,327	-1,329	75.1%
Change in inventories of products in progress and finished products		-6	-	-
Other operating income and expenses		-229	-417	-45.0%
Income of equity-accounted affiliates (1)	2.2	1,315	1,493	-11.9%
EBITDA		33,316	29,787	11.8%
Depreciation expenses		-21,369	-19,546	9.3%
Operating income before special items		11,947	10,241	16.7%
Depreciation of goodwill		-	-	-
Special items		-9,633	-11,719	-17.8%
Other special items	4.1	-9,633	-11,719	-17.8%
Operating income		2,314	-1,478	256.6%
Income from cash and cash equivalents		1,077	125	762.7%
Gross cost of financial debt		-4,048	-4,372	-7.4%
Other financial income and expenses		748	811	-7.7%
Cost of net financial debt	7.2	-2,222	-3,436	-35.3%
Income taxes		-1,546	-125	1,134.2%
Deferred taxes	8.1	793	-1,066	-174.4%
Total taxes		-752	-1,191	-36.8%
Share of profit (loss) for the period of equity method companies	2.2	-	-1	-100.0%
Profit (loss) for the period from continuing activities		-661	-6,107	n.m.
Profit (loss) for the period discontinued activities	3.3	1,345	2,358	n.m.
Consolidated profit (loss) for the period		684	-3,748	n.m.
Consolidated Net income (loss) attributable to owners of the parent	A	655	-3,767	n.m.
Minority interests		29	19	n.m.
Average number of shares excluding treasury stock	B	13,941,543	13,975,365	-
Current Earnings Per Share (in euros)		0.2	-0.1	n.m.
Earnings Per Share (in euros)	A/B	0.0	-0.3	n.m.
Dilutive instrument		Néant	Néant	n.m.
Earning for recurring operation per share (in euros)		0.0	-0.3	n.m.

3.3 Consolidated statement of other comprehensive income

<i>In thousands of euros</i>	Note	30.06.2018	30.06.2017	Change
Consolidated net profit (loss) for the period		684	-3,748	n.m.
Other items included in total earnings				
Unrealized exchange gains / losses		-707	-2,043	n.m
Free shares award plan		-221	17	n.m
Hedging of financial instruments (net of tax)		-425	303	n.m
Hedging of net investments		-	-	n.m
Actuarial differences relating to provisions for pensions		323	-	n.m
Items recognized as shareholders' equity net of taxes		-1,031	-1,722	n.m
Total earnings		-346	-5,470	n.m
Minority interests' share		-23	40	n.m
Groupe share		-323	-5,510	n.m

3.4 Consolidated statement of change in equity

<i>In thousands of euros</i>	Equity	Reserves tied to capital	Conso. Reserves and earning	Unrealized exchange gains/losses	Total group share	Minority interests	Total
Balance as at 01.01.2016	13,337	0	206,244	8,469	228,051	80	228,131
Earnings for the fiscal year			-26,747		-26,747	14	-26,733
Earnings recorded directly as shareholders' equity					0		0
• Transactions on share			33		33		33
• Hedging of financial instruments			379		379		379
• Hedging of net investments					0		0
• Unrealized exchange gains/losses				-10,860	-10,860	16	-10,844
• Actuarial differences relating to provisions for pensions			-1,528		-1,528		-1,528
Total earning for the fiscal year			-27,862	-10,860	-38,722	31	-38,692
Transactions with shareholders							
• Equity transactions							0
• Distribution of dividends(1)						-87	-87
• Treasury shares			598		598		598
Total transaction with shareholders			598	0	598	-87	511
Other changes			-1,005		-1,005		-1,005
Change in consolidated scope					0		0
Balance as at 12.31.2016	13,337	0	177,975	-2,391	188,921	23	188,945
Earnings for the fiscal year			11,147		11,147	14	11,160
Earnings recorded directly as shareholders' equity					0		0
• Transactions on share			255		255		255
• Hedging on shares			487		487		487
• Hedging on net investments					0		0
• Unrealized exchange gain/losses				-2,617	-2,617	33	-2,584
• Actuarial differences relating to provisions for pensions			16		16		16
Total earning for the fiscal year			11,905	-2,617	9,289	46	9,335
Transactions with shareholders							
• Equity transactions					0		0
• Distribution of dividends (1)					0	-70	-70
• Treasury shares			166		166		166
Total transactions with shareholders			166		166	-70	96
Other changes			-1,019		-1,019	-11	-1,030
Change in consolidated scope					0		0
Balance as at 12.31.2017	13,337	0	189,028	-5,008	197,357	-11	197,346
Earnings for the fiscal year			655		655	29	684
Earnings recorded directly as shareholders' equity					0		0
• Transactions on share			-221		-221		-221
• Hedging of financial instrument instruments			-425		-425		-425
• Hedging f net investments					0		0
• Unrealized exchange gains/losses				-655	-655	-52	-707
• Actuarial differences relating to provisions for pensions			323		323		323
Total earning for the fiscal year			332	-655	-323	-23	-346
Transactions with shareholders							
• Equity transactions					0		0
• Distribution of dividends (1)					0	-57	-57
• Treasury shares			-2,137		-2,137		-2,137
Total transactions with shareholders			-2,137	0	-2,137	-57	-2,193
Other changes					0		0
Change in consolidated scope					0	241	241
Balance as at 06.30.2018	13,337	0	187,223	-5,663	194,898	150	195,047

(1) The total amount of dividends is distributed in respect of commons shares. There are no other classes of shares. There were no issues, repurchases or redemptions of equity securities between 2016 and 2018, except for the shares acquired the free share award plan.

3.5 Consolidated statement of cash flow

<i>In thousands of euros</i>	Note	06.30.2018	12.31.2017	06.30.2017
Consolidated profit (loss) for the period		684	11,160	-3,748
Share of earnings from equity method companies		-1,315	-2,241	-1,492
Depreciation and provisions		26,609	64,435	33,941
Capital gains or losses on disposals		-	-534	-266
Cash flow after cost of net financial debt and taxes		25,978	72,821	28,435
Cost of net financial debt		2,276	6,427	3,267
Tax expenses		39	6,628	2,349
Operating cash flow before cost of net financial debt and taxes		28,293	85,877	34,051
Tax paid		-697	-1,819	-2,212
Change in working capital requirements for operations: requirement		-	-10,574	-
Change in working capital requirements for operations: surplus		11,549	-	3,810
Cash flow generated from operating activities after tax paid and change in working capital requirements	A	39,145	73,484	35,650
<i>Of which net cash flow from operating activities of discontinued operations</i>		<i>-5,145</i>	<i>4,299</i>	<i>1,047</i>
Acquisitions of intangible assets		-22,208	-48,372	-23,897
Acquisitions of tangible assets		-5,662	-12,251	-5,849
Acquisitions of long-term investments		-2,437	-	0
Disposals of tangible and intangible assets		88	529	225
Disposals of long-term investments (1)		-	1,046	464
Change in loans made and cash advance (1)		106	-10,749	-9,812
Impact of changes in consolidation scope		64,550	-1,855	-3,008
Dividends received from outside Group		1,969	893	0
Net cash flows generated by investment operations	B	36,405	-70,759	-41,878
<i>Of which net cash flow from investment operations of discontinued operations</i>		<i>13,892</i>	<i>-674</i>	<i>85</i>
Dividends paid to parent company shareholders		-	-	-
Dividends paid to the minority interests of consolidated companies		-55	-70	-13
Capital increase through cash contribution		-	-	-
Loans issued		-	10,500	10,500
Loans repaid		-82,038	-3,241	-3,106
Interest paid on loans		-1,628	-5,996	-2,963
Other financial income and expenses paid or received		-1,362	-821	-468
Net cash flows generated by financing operations	C	-85,083	372	3,950
<i>Of which net cash flow from financing operations of discontinued operations</i>		<i>-13,073</i>	<i>270</i>	<i>132</i>
Change in Cash without impact of change in foreign currency exchange rates	A+B+C	-9,533	3,098	-2,279
Impact of changes in foreign currency exchange rates		112	-821	-420
Change in cash		-9,421	2,276	-2,699
Opening cash		22,998	20,722	20,722
Closing cash		13,577	22,998	18,024

3.6 Notes to the consolidated financial statement

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Note 1 General principles

The Group's consolidated financial statements as of June 30, 2018, have been prepared in accordance with standard IAS 34 - Interim Financial Reporting. They correspond to condensed interim financial statements and do not include all of the information required for annual financial statements. The consolidated financial statements as of June 30, 2018, should therefore be read in conjunction with the Group's consolidated financial statements reported on December 31, 2017.

The accounting principles applied by the Group for the preparation of the interim consolidated financial statements at June 30, 2018, comply with international accounting standards IFRS (International Financial Reporting Standards) as endorsed by the European Union. The Group do not apply by anticipation the standards, amendments and interpretations that usage is not mandatory on June 30, 2018.

The consolidated condensed financial statements were approved by the Board of Directors of Cegedim SA at their meeting of September 17, 2018, were reviewed by the Audit Committee on September 17, 2018.

CHANGES TO ACCOUNTING PRINCIPLES

Except for the new accounting standards applied starting January 1, 2018 – including IFRS 15 and IFRS 9 – the accounting principles used to draw up the consolidated half-year financial statements to end-June 2018 are consistent with those used to draw up the consolidated accounts at December 31, 2017.

IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

- IFRS 15 deals with the principles for revenue recognition. It replaces previous standards IAS 18 “Revenue”, and IAS 11 “Construction Contracts”, as well as any related SIC or IFRIC interpretations. IFRS 15 proposes a new five-step model for revenue recognition. It also provides specific guidance on a number of issues such as licenses, warranties, and how to treat assets recognized from the cost of obtaining or fulfilling a contract.
- The Group began applying IFRS 15 to its consolidated financial statements on January 1, 2018, using a modified retrospective approach. This method calls for recording the cumulative effect of the standard's initial application as an adjustment to the opening balance of equity on January 1, 2018, with no restatement of prior periods.
- The Group performed an in-depth assessment of its main businesses in 2017, followed by additional work in early 2018, to determine all of the sources of revenue recorded in the consolidated financial statements. The diagnostics and more complex aspects of the analysis were done with the help of independent experts. The effort included participants

from the Cegedim Group's sales & marketing, legal affairs, operations management and accounting teams. The results of those assessments were checked case by case against an analysis of customer contracts to either validate or rectify them. The examination process used a sample of representative contracts and contracts deemed relevant because of their size or complexity.

- IFRS 15 does not significantly alter the Group's revenues relative to the principles and methods of revenue recognition used prior to its application.
- Furthermore, the Group has created systems and tools to identify potentially significant contracts, as well as any changes in the characteristics or volume of business over time that may require additional analysis in respect of IFRS 15.

Any resulting impact on revenue recognition will be monitored regularly and, when applicable, taken into account in the consolidated financial statements of the period in question.

IFRS 9 – FINANCIAL INSTRUMENTS

IFRS 9 “Financial Instruments” replaces IAS 39 “Financial Instruments: Recognition and Measurement”.

• *Classification of financial assets*

IFRS 9 offers a new model for classifying and measuring financial assets. It breaks assets down into three classifications: those measured at amortized cost, those measured at their fair value through other comprehensive income, and those measured at their fair value through profit or loss.

• *Amortization – Financial assets and contract assets*

For trade receivables, including contract assets, the Group measured the actual losses generated by its client portfolio in recent years and concluded that the new approach to amortizing contract assets has no significant impact on the Group's financial statements.

• *Hedge accounting*

The Group has opted to account for forward elements separately as “costs of hedging”. They are now recorded as other items in the comprehensive income and accumulated in the cost of hedging reserve, in a separate component of equity, before later being recorded as accumulated gains or losses in the cash flow hedge reserve.

The Group has not identified any significant impacts on the consolidated financial statements from the initial application of this standard.

NEW IFRS STANDARDS AND INTERPRETATIONS

Apart from IFRS 15, the Clarifications to IFRS 15 “Revenue from Contracts with Customers”, and IFRS 9 “Financial Instruments”, the new texts that apply to the Group and that are mandatory starting January 1, 2018, have no material impact on the consolidated financial statements. They are:

- Amendments to IFRS 2 “Share-based Payment”; and
- Annual Improvements to IFRS – Cycle 2014-2016 (European Union adoption is expected at end-2018).

Regardless of whether the EU has adopted them yet or not, the Group has decided against early application of

standards, amendments, and interpretations that will take effect after December 31, 2018, and which are eligible for early application. The main standards and amendments are:

- IFRS 16 “Leases”;
- Annual Improvements to IFRS – Cycle 2015-2017 (EU adoption is expected at end-2018);
- Amendments to IFRS 9; and
- Amendments to IAS 9 (EU adoption is expected at end-2018).

These standards, amendments, and interpretations will apply to financial years beginning on or after January 1, 2019, assuming they are adopted by the EU

Note 2 Consolidation scope

2.1 Change in consolidation scope

2.1.1 COMPANIES ENTERING THE CONSOLIDATED SCOPE

Company	% owned at the end of the FY	% owned during the FY	% owned during the previous FY	Consolidation method during the FY	Consolidation method during the previous FY	Comments
Rue de la Paye	100.00%	100.00%	-	FC	-	Acquisition
Efficiency Technologie	100.00%	100.00%	-	FC	-	Acquisition

2.1.2 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	Consolidation method during the previous FY	Comments
Cegelease	-	-	100.00%	-	FC	Disposal
CHS Russie			100.00%		FC	Liquidation
CHS Ukraine			100.00%		FC	Liquidation
Eurofarmat			100.00%		FC	Disposal
I-gestion			99.88%		FC	TUP ⁽¹⁾ in Cetip
Next Plus	-	-	49.00%	-	FC	Liquidation
Next Software	-	-	100.00%	-	FC	Liquidation

(1) TUP: Universal Transfert of Asset

2.2 Equity method investments

2.2.1 VALUE OF SHARES IN COMPANIES ACCOUNTED FOR THE BY THE EQUITY METHOD

Company	% owned as at 12.31.2017	Profit (loss) as at 12.31.2017	Portion of profit (loss) as at 12.31.2017	shareholders' equity as at 12.31.2017	Portion of total net shareholders' equity as at 12.31.2017	Goodwill	Provision for risks	Leaving the scope	Net value of shares in companies accounted for the equity method as at 12.31.2017
Edipharm	20.00%	233	47	306	61				61
Isiakle	50.00%	0	0	50	25				25
Millennium	49.22%	2,932	1,443	14,241	7,009	2,859			9,868
Tech Care Solutions	50.00%	-11	-6	4	2				2
Healthcare Gateway	50.00%	1,614	807	232	116				116
Income from companies accounted for the equity method incorporated to the Operating results		4,768	2,291	14,834	7,214	2,859	0	0	10,072
Infodisk	34.00%	-146	-50	-541	-184		184		0
Galaxy Santé	0.00%	-2	-1	10	5			-5	0
Total au 31.12.2017		4,620	2,241	14,302	7,035	2,859	184	-5	10,072

Company	% owned as at 06.30.2018	Profit (loss) as at 06.30.2018	Portion of profit (loss) as at 06.30.2018	shareholders' equity as at 06.30.2018	Portion of total net shareholders' equity as at 06.30.2018	Goodwill	Provision for risks	Leaving the scope	Net value of shares in companies accounted for the equity method as at 06.30.2018
Edipharm	20.00%	243	49	299	60	-	-	-	60
Isiaklé	50.00%	-	-	50	25	-	-	-	25
Millennium	49.22%	1,841	906	14,082	6,931	2,859	-	-	9,790
Tech Care Solutions	50.00%	-3	-2	1	0	-	-	-	0
Healthcare Gateway	50.00%	725	363	952	476	-	-	-	476
Income from companies accounted for the equity method incorporated to the Operating results		2,805	1,315	15,384	7,492	2,859	-	-	10,351
Infodisk	34.00%	-	-	-541	-184	-	184	-	0
Total au 06.30.2018		2,805	1,315	14,843	7,308	2,859	184	-	10,351

2.2.2 CHANGE IN THE VALUE OF SHARES IN COMPANIES ACCOUNTED FOR THE BY THE EQUITY

The change in equity shares accounted for using equity method can be analyzed as follows:

<i>In thousands of euros</i>	
Shares accounted for using the equity method as at 01.01.2018	10,072
Distribution of dividendes	-1,034
Capital increase	-
Portion of profit (loss) as at 06.30.2018	1,315
Provision for risk	-
Currency translation	-2
Newly consolidated companies	-
Companies leaving the consolidated scope	-
Total	10,351

Pursant to recommendation ANC 2013-03, the portion of profit (loss) of Edipharm, Isiaklé and Tech Care Solutions are incorporated in the Health Insurance, HR and e-services division operating result and for Millennium and Healthcare Gateway it is incorporated in the Healthcare professionals deivision operating result.

Note 3 Segment reporting

3.1 Segment reporting as of 2018

Cegedim's business is structured around two operating divisions.

The Health insurance, HR and e-services is dedicated to large customer accounts. This division:

- Incorporates all the products and services dedicated to health insurers and mutual insurers, provident institutions and brokers. Its offerings cover the full range of interactions between these entities and healthcare professionals.
- It also targets companies in all business sectors looking for hosting and outsourcing solutions (for example, in HR and payroll) or electronic data exchange (Cegedim e-business).

The Healthcare professional division serves doctors, allied health professionals, pharmacists and health clinics. It supplies the software, databases and solutions these clients use daily to run their practices.

Corporate and others is the third division that provides support to the operational divisions.

3.1.1 INCOME STATEMENT ITEMS AS AT JUNE 30, 2018

In thousand of euros		Health insurance, HR & e-services	Healthcare professionals	Corporate and others	Continuing activities 30.06.2018	Activities sold	IFRS 5 restatement	Total 06.30.2018	Total France	Total rest of the world
Produits sectoriels										
	Revenue excluding revenue with activities sold	149,537	76,161	1,935	227,632	2,031	-	229,664	195,956	33,707
	Revenue with activities sold	0	-	1	1	-	-1	-	-	-
	Revenue with continuing activities	-	-	-	-	35	-35	-	-	-
A	Revenue, outside, Group	149,537	76,161	1,936	227,633	2,066	-36	229,664	195,956	33,707
B	Intercompany revenue	2,381	3,992	21,794	28,166	-	-	28,166	27,046	1,120
A+B	Revenue	151,918	80,153	23,729	255,800	2,066	-	257,830	223,002	34,827
Segment earnings										
C	Operating income before special items	13,400	-892	-562	11,947	686	-	12,633		
D	EBITDA	24,221	6,893	2,201	33,316	686	-	34,002		
C/A	Operating margin	9.0%	-1.2%	-29.0%	5.2%	33.2%	-	5.5%		
D/A	EBITDA margin	16.2%	9.1%	113.7%	14.6%	33.2%	-	14.8%		
Segment depreciation										
	Depreciation and amortization	10,821	7,785	2,763	21,369	0	-	21,369		

3.1.2 GEOGRAPHICAL REVENUE BREAKDOWN AS AT JUNE 30, 2017

In thousands of euros		France	Euro zone excluding France	Pound sterling zone	Rest of the world	06.30.2018
Continuing activities	Geographical breakdown	193,927	2,974	22,272	8,462	227,633
	%	85%	1%	10%	4%	100%
Activities sold	Geographical breakdown	2,030	-	-	-	2,030
	%	100%	0%	0%	0%	100%
Total	Geographical breakdown	195,956	2,974	22,272	8,462	229,664
	%	85%	1%	10%	4%	100%

3.1.3 BALANCE SHEET ITEMS AS AT JUNE 30, 2018

<i>In thousands of euros</i>	Health Insurance, HR & e-services	Healthcare professionals	Corporate and others	Total 06.30.2018	Total France	Total rest of the world
Segment assets						
Goodwill (Note 6.1)	77,695	95,598	-	173,293	112,270	61,023
Intangible assets	69,241	76,329	5,670	151,239	87,276	63,963
Tangible assets	15,753	7,443	10,195	33,391	27,153	6,238
Equity shares accounted for using the equity method (Note 2.4)	85	10,266	-	10,351	85	10,266
Net total	162,774	189,635	15,865	368,274	226,783	141,491
Investments during the year (gross values)						
Goodwill (Note 6.1)	-	6,468	-	6,468	6,468	-
Intangible assets	10,817	10,407	982	22,206	13,072	9,134
Tangible assets	2,891	886	1,885	5,662	4,367	1,295
Equity shares accounted for using the equity method (note 2.4)	-	-	-	-	-	-
Gross total	13,708	17,761	2,867	34,335	23,906	10,429
Segment liabilities (1)						
Non-current liabilities						
Provisions	15,796	9,310	1,102	26,208	24,744	1,464
Other liabilities	-	37	-	37	-	37
Current liabilities						
Accounts payable and related accounts	25,960	13,448	1,464	40,872	30,828	10,044
Tax and social liabilities	57,006	17,761	2,989	77,756	72,242	5,514
Provisions	1,222	1,794	-	3,016	3,005	11
Other liabilities	42,667	26,452	59	69,178	59,784	9,395

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

3.2 Segment information as at 2017

3.2.1 INCOME STATEMENT ITEMS AS AT JUNE 30, 2017

In thousand of euros		Health Insurance, HR & e-services	Healthcare professionals	Corporate and others	Continuing activities 30.06.2017	Activities sold	IFRS 5 restatement	Total 06.30.2017	Total France	Total rest of the world
Produits sectoriels										
	Revenue excluding revenue with activities sold	140,256	81,815	1,983	224,054	6,564	-	230,618	191,379	39,240
	Revenue with activities sold	7	-	8	15	-	-15	-	-	-
	Revenue with continuing activities	-	-	-	-	297	-297	-	-	-
A	Revenue, outside, Group	140,263	81,815	1,991	224,069	6,861	-312	230,618	191,379	39,240
B	Intercompany, revenue	1,062	1,864	4,861	7,786	-	-	7,786	7,280	507
A+B	Revenue	141,325	83,679	6,852	231,856	6,861	-312	238,404	198,658	39,746
Segment earnings										
C	Operating income before special items	8,812	4,644	-3,215	10,241	3,347	-	13,588		
D	EBITDA	18,138	11,963	-315	29,787	3,390	-	33,177		
C/A	Operating margin	6.3%	5.7%	-161.5%	4.6%	48.8%	-	5.9%		
D/A	EBITDA margin	12.9%	14.6%	-15.8%	13.3%	49.4%	-	14.4%		
Segment depreciation										
	Depreciation and amortization	9,327	7,320	2,900	19,546	42	-	19,589		

<i>In thousands of euros</i>	Health Insurance, HR & e-services	Healthcare professionals	Corporate and others	Activities sold	Total Group 06.30.2017
(1) Restatement					
Operating income before special items 06.30.2017 reported					
Restatement for activities held for sale	8,803	7,991	-3,206	-	13,588
Reallocation	-	-3,347	-	3,347	-
Operating income before special items nt 30.06.2017 restated	9		-9	-	-
	8,812	4,644	-3,215	3,347	13,588
EBITDA before special items 06.30.2017 reported					
Restatement for activities held for sale	18,130	15,353	-306	-	33,177
Reallocation (1)	-	-3,390	-	3,390	-
EBITDA before special items 30.06.2017 restated	9	-	-9		

(1) Changes in presentation were made in the segmentation of activities, compared to the half-year consolidated financial statements for June 30, 2017, initially published on September 21, 2017. Non-contributory activities to consolidated revenues were reallocated from the Health Insurance, HR and e-services division to the Corporate and other division the impact on operating income is insignificant (€9 thousands).

3.2.2 GEOGRAPHICAL REVNUUE BREAKDOWN AS AT JUNE 30, 2017

In thousands of euros		France	Euro zone excluding France	Pound sterling zone	Rest of the world	06.30.2017
Continuing activities	Geographical breakdown	184,830	3,661	25,179	10,399	224,069
	%	82%	2%	11%	5%	100%
Activities held for sale	Geographical breakdown	6,549	-	-	-	6,549
	%	100%	0%	0%	0%	100%
Total	Geographical breakdown	191,379	3,661	25,179	10,399	230,618
	%	184,830	3,661	25,179	10,399	224,069

3.2.3 BALANCE SHEET ITEMS AS AT DECEMBER 31, 2017

<i>In thousands of euros</i>	Health Insurance, HR & e-services	Healthcare professionals	Corporate and others	Continuing activities 12.31.2017	Activities sold	Total 12.31.2017	Total France	Total rest of the world
Segment assets								
Goodwill (Note 6.1)	70,899	96,859	-	167,758	28,266	196,024	116,855	79,169
Intangibles assets	67,108	73,273	5,469	145,849	0	145,849	85,664	60,185
Tangible assets	14,970	7,919	10,283	33,172	1,227	34,400	28,083	6,317
Equity shares accounted for using the equity method (Note 2.4)	88	9,984	-	10,072	-	10,072	86	9,986
Net total	153,065	188,035	15,751	356,852	29,493	386,346	230,688	155,657
Investments during the year (gross values)								
Goodwill (Note 6.1)	-	1,767	-	1,767	-	1,767	-	1,767
Intangible assets	22,546	23,108	2,729	48,382	-	48,382	29,096	19,286
Tangible assets	6,773	1,687	2,783	11,243	1,096	12,339	10,715	1,624
Equity shares accounted for using the equity method (Note 2.4)	-	-	-	0	-	0	-	-
Gross total	29,319	26,562	5,512	61,393	1,096	62,488	39,811	22,677
Segment liabilities (1)								
Non-current liabilities								
Provisions	15,394	9,000	1,051	25,445	388	25,833	24,484	1,349
Other liabilities	-	56	-	56	15,820	15,876	15,820	56
Current liabilities								
Accounts payable and related accounts	28,157	16,274	2,522	46,954	14,614	61,568	50,475	11,093
Tax and social liabilities	61,380	19,296	2,442	83,118	1,295	84,413	79,381	5,032
Provisions	1,327	1,698	-	3,025	130	3,155	3,127	28
Other liabilities	40,884	24,178	35	65,098	29,596	94,694	87,347	7,347

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

3.3 Assets sold

Cegelease and Eurofarmat were sold on February 28, 2018, for a total amount of €57.5 million plus reimbursement of the shareholder's loan account, which amounted to €13 million.

3.3.1 ASSETS AND LIABILITIES SOLD

As of December 31, 2017, the assets and liabilities held for sale came to:

Assets held for sale: €119,847

Liabilities held for sale: €63,021

3.3.2 ACTIVITIES SOLD

In the consolidated income statement presented for comparison, the results of divested operations or held for sale have been reclassified line by line on the item "Net profit (loss) from activities sold."

The main indicators of the consolidated income statement as at June 30, 2018, and June 30, 2017, in respect of activities sold are:

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Revenue	2,066	6,861
Purchased used	2	-1
External expenses	-685	-1,982
Taxes	-231	-192
Payroll costs	-417	-1,150
Allocation and reversals of provisions	-43	-147
Change in inventories of products in progress and finished products	-	-
Other operating income and expenses	-6	0
EBITDA	686	3,390
Depreciation and amortization	0	-42
Operating income before special items	686	3,347
Depreciation of goodwill	-	-
Special items	-	-
Other special items	-	-
Operating income	686	3,347
Cost of net financial debt	52	169
Gain on disposal	-106	-
Income taxes	-	-1,048
Deferred income taxes	713	-110
Share of net profit (loss) for the period of equity method companies	-	-
Net profit (loss) from activities sold	1,345	2,358

3.3.3 CASH FLOW FROM DISCONTINUED OPERATIONS

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Net cash flow from operating activities	-5,145	1,047
Net cash flow from investing activities	13,892	85
Net cash flow from financing activities	-13,073	132

Note 4 Operating data

4.1 Other special items

Special items comprise the following:

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Operating income before special items	11,947	10,241
Allowance and depreciation	-2,653 ⁽²⁾	-8,107 ⁽¹⁾
Restructuring costs	-5,825 ⁽³⁾	-2,518
Capital gains or losses on disposals and price adjustment		-
Other special items	-1,156	-1,093
Operating income	2,314	-1,478

(1) Of which €8.5m of accelerated amortization of intangible assets in the US

(2) Of which €4.5m of accelerated amortization of intangible assets in the US

(3) Of which €4m in fees related to the divestment

4.2 Capitalized production

Capitalized production has been reclassified to payroll costs and external expenses as shown in the table below.

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Payroll costs	16,982	18,018
External expenses	4,245	4,504
Capitalized production	21,227	22,522

4.3 Trade receivables

<i>In thousands of euros</i>	Current trade receivables	Non-Current trade receivables	06.30.2018	12.31.2017
French companies	95,046	-	95,046	99,151
Foreign companies	22,135	147	22,281	25,769
Total gross value	117,181	147	117,328	124,920
Provisions	7,199	-	7,199	6,540
Total net value	109,982	147	110,128	118,380

The share of past-due receivables (gross amount), excluding provisions, was €25.2 million as at June 30, 2018.

AGING BALANCE

<i>In thousands of euros</i>	Total past due receivables	Receivables < 1 month	Receivables 1 to 2 months	Receivables 2 to 3 months	Receivables 3 to 4 months	Receivables > 4 months
French companies	16,877	2,215	3,826	2,406	779	7,650
Foreign companies	8,311	1,381	1,194	1,931	488	3,318
Total	25,188	3,596	5,020	4,337	1,267	10,968

4.4 Other liabilities

<i>In thousands of euros</i>	Current		Non- current		Total	
	06.30.2018	12.31.2017	06.30.2018	12.31.2017	06.30.2018	12.31.2017
Advances and payment on account	398	317	-	-	398	317
Clients – Credits to be established	-	-	-	-	-	-
Expenses payable	-	-	-	-	-	-
Miscellaneous payables	31,595	33,934	-	-	31,595	33,934
Other liabilities	31,595	33,934	-	-	31,595	33,934
Debts on acquisition of assets	4	4	37	56	40	60
Dividends payable	1	-	-	-	1	-
Deferred income	37,181	30,844	-	-	37,181	30,844
Total other liabilities	69,178	65,098	37	56	69,215	65,154

Note 5 Employees' benefits expense and liabilities

5.1 Employees' benefits expense

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Wages	-112,439	-106,280
Profit-sharing	-2,375	-1,950
Free shares award plan	249	-29
Payroll costs	-114,566	-108,259

5.2 Number of employees

<i>In thousands of euros</i>	06.30.2018	06.30.2017
France	2,905	2,890
International	1,402	1,361
Number of employees	4,307	4,251

Note 6 Intangible assets

6.1 Goodwill

At June 30, 2018, the net value of acquisition goodwill came to €174 million, compared with €168 million at December 31, 2017. The net increase of €5 million is chiefly attributable to (1) the acquisition of Rue de la Paye, which markets digital payroll solutions to small businesses and SMEs, (2) the reclassification of acquisition goodwill as identifiable assets, and (3) the impact of exchange rate

movements on acquisition goodwill denominated in GBP or USD.

The Rue de la Paye acquisition goodwill has not yet been classified.

Division	12.31.2017	Reclassification	Allocation of goodwill on acquisitions	Scope	Impairment	Translation gains or losses and other changes	06.30.2018
Health Insurance, HR & e-services	70,899	330	-	6,468	-	-2	77,695
Healthcare professionals	96,859	-	-1,016	-357	-	111	95,598
Corpoaret and others	0	-	-	-	-	-	-
Total goodwill	167,758	330	-1,016	6,111	-	109	173,293

Paragraph 90 of IAS 36 indicates that CGUs where goodwill has been allocated should be tested at least annually and every time an impairment charge could occur. This impairment charge is defined as the difference between the CGU's recoverable value and its book value. The recoverable value is defined by IAS 36.18 as the higher of the asset's fair value - less costs of sales - and its value in use (sum of capitalized flows expected by the company for this asset).

Impairment tests aim to verify that the book value of assets essential to the operation of the business and allocated to

each of the CGUs (including goodwill) does not exceed the recoverable amount thereof.

Impairment tests were carried out as part of the closure of the 2017 accounts, for both of the Group's operational CGUs, such as they exist at the previous closing.

These tests did not lead to a loss of value.

The performance of the first half of 2018 are on line with the business plan thus no indication of impairment loss have been identified leading to conduct new impairment tests.

Note 7 Financing and financial instruments

7.1 Net Debt

In thousands of euros	06.30.2018			12.31.2017
	Financial	Miscellaneous ⁽¹⁾	Total	
Long-term financial borrowing and liabilities (> 5 years)	-	-	-	-
Medium-term financial borrowing and liabilities (> 1 year, < 5 years)	164,993	6,067	171,059	250,830
Short-term financial borrowing and liabilities (> 6 months, < 1 year)	166	1,558	1,725	360
Short-term financial borrowing and liabilities (> 1 month, < 6 months)	177	193	370	3,536
Short-term financial borrowing and liabilities (< 1 month)	41	49	90	101
Current bank loans	0	0	0	43
Total financial liabilities	165,376	7,867	173,244	254,869
Positive cash	13,582	-	13,582	18,718
Net financial debt	151,794	7,867	159,661	236,151

(1) The miscellaneous item includes employee profit sharing plans in the amount of €6,578 thousand.

NET CASH

<i>In thousands of euros</i>	Financial	06.30.2018	12.31.2017
Current bank loans	0	0	43
Positive cash	13,582	13,582	18,718
Net cash	13,582	13,582	18,675

STATEMENT OF CHANGES IN NET DEBT

<i>In thousands of euros</i>		06.30.2018	06.30.2017
Net debt at the beginning of the fiscal year	A	236,151	226,824
Operating cash flow before cost of net debt and taxes		-28,293	-85,877
Tax paid		697	1,819
Change in working capital requirement		-11,549	10,574
Net cash flow from operating activities		-39,145	-73,484
Change from investment operations		30,113	69,797
Impact of changes in consolidation scope		-64,550	1,855
Dividends		-1,913	-823
Increase in cash capital		-	-
Impact of changes in foreign currency exchange rates		-112	821
Interest paid on loans		1,628	5,996
Other financial income and expenses paid or received		1,362	821
Other changes		-106	19
Total net change for the fiscal year	B	-72,724	5,002
Impact of companies entering the consolidated scope	C	560	-
Impact of companies sold	D	-4,326	-
Impact of companies held for sale	E	-	4,325
Net debt at the end of the fiscal year	A-B+C+D+E	159,661	236,151

The banks loans have the following terms:

<i>In thousands of euros</i>	< 1 month	> 1 month < 6 months	> months < 1 year	> 1 year < 5 years	> 5 years
Euribor 1 month rate	41	177	166	164,993	0
Total	41	177	166	164,993	0

Cegedim subject to two maintenance covenants in relation with the Revolver Facility Agreement. Compliance with these financial commitments is determined in accordance with International Financial Reporting Standards (IFRS). It is a ratio of the level of net bank indebtedness in relation to consolidated gross operating income (or EBITDA) and a ratio of the level of gross operating income in relation to the level of bank financing costs.

For more information on the financial covenants and the way there are calculated see on page 51 and 52, point 2.4.1.3 in the Chapter "Risk factors and insurance" of this 2016 Registration Document filled with the AMF on March 29, 2017 under the number D.17-0255.

FINANCING

In May 2007, Cegedim raised 50.0 million euros, the FCB Loan, from its largest shareholder, FCB. The shareholder loan agreement between Cegedim SA and FCB was signed on May 7, 2007. The FCB Loan Agreement was amended on September 5, 2008, and September 21, 2011, to extend the maturity date and modify the applicable interest rate. During the December 2009 capital increase, FCB subscribed for 4.9 million euros equivalent in shares as a redemption of a portion of debt, which decreased the balance of the FCB Loan to 45.1 million euros. In January 14, 2016, the FCB Loan was amended in order to subordinate it to the 200 million euro revolving credit facility taken the same day and to extend the maturity date and modify the applicable interest rate.

On March 20, 2013, Cegedim issued a senior bond at 6.75%, maturing on April 1, 2020, for an amount of 300 million euros in accordance with the Reg. S and 144A rules.

On April 7, 2014, Cegedim issued 125 million euros in bonds in addition to its issue of 300 million euros at 6.75%, maturing in 2020. The issue price was 105.75%, plus interest accrued since April 1, 2014. Apart from the issue date and price, these new bonds are identical to those issued on March 20, 2013, under the 300 million euro bond issue with a coupon of 6.75% maturing in 2020. Between May 6, 2015, and February 25, 2016, Cegedim redeemed on the market its 6.75% bond, maturing April 1, 2020 for a total principal amount of 110.2 million euros. The company cancelled these bonds. As a result, a total principal amount of 314.8 million euros remains in circulation.

In January 14, 2016, the Group took out from Cegedim's bankers a new five-year revolving credit facility (RCF) of 200 million euros maturing on January 14, 2021.

On April 1, 2016, Cegedim exercised its call option on the entire 6.75% 2020 bond for a total principal amount of 314,814,000.00 euros and a price of 105.0625%, i.e. a total premium of 10,624,972.50 euros. The company then cancelled these securities. The transaction was financed by drawing a portion of the RCF obtained in January 2016 and using the proceeds of the sale to IMS Health. Following this transaction, the Group's debt comprised the 45.1 million euro FCB subordinated loan, the partially drawn 200 million euro RCF, and overdraft facilities.

According to norm IFRS 5, the net debt as of December 31, 2017 do not includes the cash, overdraft facilities and debt from activities held for sale (Cegelease and Eurofarmat).

As at June 30, 2018, the debt was structured in the following manner:

- 170 million euro revolving credit, of which 120 million euros was drawn as of June 30, 2017; maturing on January 14, 2021;
- 45.1 million euro FCB Loan maturing in January 2021;
- 24.0 million euro overdraft facility, of which 0.0 million euros was drawn as of June 30, 2017.

The exposure of the debt to fluctuations in euro rates has been partially hedged by a euro rate hedge.

The Group sold a swap in June 2015 with a pre-set Euribor receiver rate and a fixed payer rate of 4.565% on a notional amount of 20 million euros maturing December 29, 2017, against cash payment.

As at June 30, 2018, the hedge of the debt against fluctuations in the euro rate consisted of two no premium one month Euribor receivers, fixed rate if it exceeds 0%, receives nothing otherwise, payer as follows:

- 0.2680% for a notional amount of €50 million, maturing February 26, 2021.
- 0.2750% for a notional amount of €30 million, maturing December 31, 2020.

The total notional hedged amount was 80 million euros as at June 30, 2018.

Interest expense on bank loans, charges and commissions totaled 1.6 million euros as at June 30, 2018.

The interest related to the shareholder loan as at June 30, 2018, amounted to 0.8 million euros.

The change in fair value of these derivatives was recorded in shareholders' equity for the efficient part of those qualified as cash flow hedges (-0.6 million euros) and in profit or loss for their inefficient part and for the related counterparty risk taken into account in accordance with IFRS 13 (0.5 million euros). The fair value at the closing date of hedging instruments amounts to 0.4 million euros.

The Group had also access to non-recourse factoring of which €28.5 million was used as of June 30, 2018.

LIQUIDITY RISK

Contractual cash flows are not discounted.

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

7.2 Net financial expenses

<i>In thousands of euros</i>	06.30.2018	06.30.2017
Income or cash equivalent	1,077	125
Interest paid on loans	-1,628	-2,963
Interest resulting from the bond buyback	-	-
Accrued interest on loans	-	-
Interest on financial liabilities	-1,628	-2,963
Other financial interest and expenses ⁽¹⁾	-2,420	-1,409
Cost of gross financial debt	-4,048	-4,372
Net currency exchange differences *	83	-255
Valuation of financial instruments	508	300
Other financial income and expenses paid or received ⁽²⁾	-	-
Other financial income and expenses, non cash ⁽²⁾	157	765
Other financial income and expenses	748	811
Cost of net financial debt	-2,222	-3,436

<i>In thousands of euros</i>	06.30.2018	06.30.2017
(1) Including FCB interest	-767	-767
Interest of sharesold	-197	-207
Total	-964	-974

Note 8 Income tax

8.1 Deferred tax

8.1.1 TAX BREAKDOWN

The tax expense recognized in fiscal year income was €752 thousand, compared with an expense of €1,191 thousand in June 2017. This comprised:

<i>In thousands of euros</i>	06.30.2018	06.30.2017
<i>Tax paid</i>		
France	-1,832	130
Abroad	287	-256
Total tax paid	-1,546	-125
<i>Deferred tax</i>		
France	1,249	-1,288
Abroad	-456	222
Total deferred taxes	793	-1,066
Total tax income recognized in the income statement	-752	-1,191

8.1.3 DEFERRED TAX ASSETS AND LIABILITIES

Analysis by category of the temporal difference for the net deferred tax position recognized in the balance sheet (before compensation by fiscal entities for deferred tax assets and liabilities).

<i>In thousands of euros</i>	12.31.2017	Restate ment	Profit (loss)	Change in scope	Others change* Equity	Change in currency rate	06.30.2018
Tax loss carryforwards	20,000						20,000
Pension plan commitments	5,185		260	19	-112		5,351
Non-deductible provisions	2,582		-96				2,486
Updating to fair value of financial instruments	218		-95		121		244
Cancellation of margin on inventory	167		1				169
Restatement of R& margin	412		56				468
Others	-	136	396				532
Total deferred tax assets	455	-136	170				489
Unrealized exchange gains/losses	29,019	-	692	19	9	-	29,738
Cancellation of accelerated depreciation	-		7			-7	-
Cegelease restatement	-386		161				-226
Cancellation of depreciation on business goodwill	-8		-1				-8
Updating to fair value of financial instruments	-131		-53		52		-132
Finance lease	-225		-125				-350
R&D capitalization	-6,539		-472				-7,011
Restatement of the allowance for the R&D margin	-70		-39				-109
Others	-749		622				-126
Total deferred tax liabilities	-8,109	-	101	-	52	-7	-7,963
Net deferred tax	20,910		793	19	61	-7	21,775

The change in deferred taxes recognized in the consolidated balance sheet after compensation by fiscal entities for deferred tax assets and liabilities can be verified in the following way:

<i>In thousands of euros</i>	Assets	Liabilities	Net
As at December 31, 2017	27,271	-6,362	20,909
Impact of earnings for the period	692	101	793
Impact shareholders' equity	28	45	73
Impact of net presentation by fiscal entity	911	-911	-
As at June 30, 2018	28,902	-7,128	21,775

Tax corresponding to deferred taxes not activated from continuing activities as at June 30, 2018, amounts to €54,711 thousand for French companies and €16,391 thousand for foreign companies.

Note 9 Equity and earnings per share

9.1 Equity

As at June 30, 2018, the share capital was made up of 13,997,173 shares (including 69,928 treasury shares), each with a nominal value of 0.9528 euros, i.e. total share capital of 13,336,506 euros.

9.2 Treasury shares

ALLOCATION OF FREE SHARES

Following a resolution of the Extraordinary General Shareholders' Meeting of June 10, 2014, the Board of Directors, at its meeting of September 18, 2014, was authorized to award free shares in a total number not exceeding 10% of the total number of shares comprising the share capital to corporate officers and employees of the Cegedim Group.

Following a resolution of the Extraordinary General Shareholders' Meeting of November 16, 2015, the Board of Directors, at its meeting of January 28, 2016, was authorized to award free shares in a total number not exceeding 10% of the total number of shares comprising the share capital to corporate officers and employees of the Cegedim Group.

Following a resolution of the Extraordinary General Shareholders' Meeting of November 16, 2015, the Board of Directors, at its meeting of June 21, 2017, was authorized to award free shares in a total number not exceeding 10% of the total number of shares comprising the share capital to corporate officers and employees of the Cegedim Group.

The main characteristics of the plans are the following:

- The free shares awarded will confer the right to dividends, the distribution of which will be determined as of the award date.

- The plan dated September 18, 2014, authorized a maximum allocation of 19,280 free shares.
- The plan dated January 28, 2016, authorized a maximum allocation of 28,038 free shares.
- The plan dated June 21, 2017, authorized a maximum allocation of 19,540 free shares.
- For the 2014 plan the allocation of such shares to their beneficiaries will become final after a two-year vesting period for beneficiaries whose residence for tax purposes is in France as of the allocation date and four years for beneficiaries whose residence for tax purposes is not in France as of the allocation date.
 - For the 2016 and 2017 plan the allocation of such shares to their beneficiaries will become final after a two-year vesting period for beneficiaries whose residence for tax purposes is in France as of the allocation date and three years for beneficiaries whose residence for tax purposes is not in France as of the allocation date
- The shares will be fully allocated to the beneficiaries on one condition: no resignation, dismissal or termination;
- Starting from the final award date, beneficiaries whose residence for tax purposes is in France as of the award date must keep said shares for a term of two years starting from the final award date for the 2014 plan and one year for the plan 2016 and 2017.

In application to IFRS 2 standard, 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 THE FOLLOWING

	Plan of 09.18.2014	Plan of 01.28.2016	Plan of 06.21.2017
Date of the General Meeting	06.10.2014	11.16.2015	11.16.2015
Date of the Board of Directors meeting	09.18.2014	01.28.2016	06.21.2017
Date of plan opening	09.18.2014	01.28.2016	06.21.2017
Total number of shares than can be allocated	19,280 shares	28,038 shares	19,540 shares
Initial subscription price	€27.11	€30.50	€29.02
Date of availability of free shares			
France	09.17.2016	01.28.2018	06.21.2019
Foreign	09.17.2018	01.28.2019	06.21.2020

POSITION OF PLANS AS AT JUNE 30, 2018

	Plan of 09.18.2014	Plan of 01.28.2016	Plan of 06.20.2017
Total number of shares allocated	7,355 shares	3,286 shares	16,935 shares
Total number of shares left to be acquired after recorded exercising of options and canceled options	0	0	0
Adjusted acquisition price of free share allotments			
France	€26.31	€29.61	€28.17
Foreign	€23.04	€25.93	€24.67

Note 10 Others disclosures

10.1 Seasonality

The business activities of the Group are marked by certain seasonality effects due to its Software Publishing activity.

Over the year, the Group generate more revenue in the second half than in the first half.

The EBITDA generated in the second half of the year is generally much higher than the EBITDA generated during the first half of the year.

This is largely due to the seasonal nature of the decision-making processes of the Cegedim customers. In particular, the Health Insurance, HR & e-services and Health Professionals divisions are characterized by a certain seasonality effect as some customers invest in the Group's end-of-year offers in order to spent their annual budgets.

10.2 Period highlights

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

BPIFRANCE SELLS CEGEDIM SHARES

Bpifrance Participations sold 1,682,146 Cegedim shares via an accelerated bookbuilding process to French and international institutional investors at a price of €35 per share on February 13, 2018. In the context of the transaction, the shareholders' agreement dated October 28, 2009, between Mr. Jean-Claude Labrune, FCB (the family holding company controlled by Mr. Labrune), and Bpifrance – as well as the concert between the parties – has been terminated. Following the sale, Cegedim's free float increased to 44% of capital (vs. 32% before the transaction).

CEGELEASE AND EUROFARMAT DEFINITELY SOLD

On February 28, 2018, Cegedim announced that it had completed the disposal of Cegelease and Eurofarmat to FRANFINANCE of the Société Générale Group for an amount of €57.5 million plus reimbursement of the shareholder's loan account, which amounted to €13 million. Of this amount, Cegedim used €30 million to pay down its debt.

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

RUE DE LA PAYE ACQUIRED IN FRANCE

On March 30, 2018, Cegedim acquired French company Rue de la Paye via its Cegedim SRH subsidiary. The deal will enable the Group to market digital payroll solutions to 2 million SMEs and small businesses in France, including – importantly – thousands of healthcare professionals that are already Cegedim Group clients.

Rue de la Paye's 2017 revenues were equivalent to around 1% of 2017 consolidated Group revenues, and it earned a profit. It began contributing to the Group's consolidation scope in April 2018.

TAX

On February 21, 2018, Cegedim S.A. received notice that French tax authorities would perform an audit of its accounts covering the period January 1, 2015, to December 31, 2016.

10.3 Significant post-closing transactions and events

To the best of the company's knowledge, apart from the items cited below, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

INDEPENDENT DIRECTOR APPOINTED TO CEGEDIM SA'S BOARD

At the annual general meeting on August 31, 2018, shareholders appointed Ms. Béatrice Saunier to a six-year term as an independent director. Her term will expire following the AGM held to approve the financial statements for the year 2023.

10.4 Off-balance sheet commitments

Existing guarantees at December 31, 2017, did not change significantly during the first six months of 2018.

10.5 Commitments and contingencies

On January 31, 2017, Cegedim and IMS Health both received notification that they are being sued by Euris for unfair competition. Cegedim has filed a motion claiming that IMS Health should be the sole defendant. After

consulting with outside legal experts, the Group decided not to earmark provisions in its consolidated financial statements at December 31, 2017. As of June 30, 2018, the lawsuit is ongoing. In the absence of any news, the Group has made no changes to the position it adopted at the previous statement closing date.

3.7 Statutory auditors' review report on the interim financial information

CEGEDIM

For the period from January 1st 2018 to June 30th, 2018.

This is a free translation into English of the Statutory Auditors' review report issued in French 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 auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your general shareholders' 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 interim consolidated financial statements of CEGEDIM SA, for the six months ended June 30, 2018;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role 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 review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to the matter set out in paragraphs "IFRS 15 "Revenue from contracts with customers" "and "IFRS 9 – Financial instruments" of Note 1. "General Principles" to the consolidated condensed financial statement regarding the impacts related to the first application of IFRS 15 and IFRS 9 standard.

II – Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our limited review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, September 17, 2018

The Statutory Auditors

Grant Thornton
Membre français de Grant Thornton
International

Mazars

Vincent Papazian
Partner

Jean-Philippe Mathorez
Partner

4 Additional information

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4.1 Statement by the company officer responsible for the interim financial report

I hereby certify that, to the best of my knowledge, the condensed interim consolidated statements for the six first months ended June 30, 2018 have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, financial position and profit or loss of the parent company and of all consolidated companies, and that the Interim Management Report gives a true and fair picture of the significant events during the first six months of the fiscal year and their impact on the financial statements, of the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Boulogne-Billancourt, September 17, 2018.

Jean-Claude Labrune
President and CEO
Cegedim S.A.

4.2 Contacts

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On iOS and Android





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