



2018 ANNUAL REPORT
PHARMAGEST
Technologies for health

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Dear shareholders and stakeholders,



Through the excellent mix of its solutions and expertise, Pharmagest Group today offers an ideal coverage of the French market and the main European countries. By increasing our critical mass in Europe with a global installed base 50,000 health care professionals equipped with our solutions, today Pharmagest Group is a leading provider of IT equipment for health, and is now on the way, of becoming so for patients as well.

This exhaustive technological offering exemplifies the viability of our concept and is the cornerstone of our lasting success.

The relevance of our actions is also the result of our ability to anticipate the major developments of our market. The technological and digital solutions we design are inventing Healthcare of tomorrow and explain how building **the Health ecosystem of the future is one of Pharmagest Group's top strategic priorities**. Our customers are moreover showing considerable interest in adopting the innovative tools we are developing precisely so we can build together the Healthcare solutions of tomorrow.

In this way, Pharmagest Group has developed **the first healthcare platform in Europe**, providing a genuine gateway to medical information between different healthcare professionals for the benefit of patients.

The ecosystem we are building offers caregivers the resources they need to take care of patients more effectively and safely. Our goal is to offer through this ecosystem a unique benefit to the patient, make the healthcare system more efficient and the patient care pathway smoother, simply by matching the right practitioner with the right patient at the right time.

The technology we develop brings innovation to healthcare professionals and patients. Our technological strategy is focused on the needs of each patient, according to his or her conditions and our IT and technology solutions are designed to help patients and pharmacists, doctors and nursing staff remain by the patient's side.

Within La Coopérative WELCOOP and all the more so at Pharmagest, our responsibility is ensuring that technology contributes to Health and the well-being of the maximum number of people.

That is why, every day, with our teams, we are fully focused on our core conviction of: **Technology for a more human experience!**

Thierry CHAPUSOT
Chair of the Board of Directors

Dear shareholders and stakeholders,



The digital revolution represents a genuine opportunity for Health and Pharmagest Group occupies a decisive role within this trend.

The latest industry development: Blockchain.

Medical data, drug counterfeiting, genetic data, progress and transparency in research: Blockchain technology offers significant advantages for healthcare system stakeholders. **An exponential quantity of data, rendered secure and anonymous by blockchain technology, is being collected**

applications from different healthcare professionals through our software applications. This is particularly the case for Real World Evidence (RWE), concrete data from an electronic health record, the SMR (Shared Medical Record) for example or a patient survey.

To prepare for this breakthrough, in the beginning of the year, we acquired, **a shareholding in Embleema, a Franco-American start-up which is developing a blockchain-based digital platform for sharing health data.**

Correctly collected and analysed, this data provides makes it possible to discover and develop in an extremely efficient manner, new solutions focused on the patient, by streamlining the care pathway, improving the patient's health and optimizing the overall efficiency of healthcare systems in Europe.

In addition, **this new technology has introduced an enormous advance: giving the ownership of the data stored back to patients rather than doctors or health insurance agencies.**

At the same time, in line with our strategy for building a dedicated global ecosystem, we have continued our deployment in Europe and have expanded into Italy. We acquired a majority stake in Macrosoft, the country's market leader in IT equipment and services for pharmacy wholesalers-distributors.

Since our Initial Public Offering in 2000, **Pharmagest Group has established itself as a major provider of software solutions for pharmacies in France and Europe, with a track record of solid operational and financial performances, but also as an efficient and visionary stakeholder in the transformation of the Healthcare ecosystem.**

In 2018, the Group registered continuing gains with growth in our Operating Profit of 13.4% from 2017. Net Profit rose 11.3% to €27.04 million, up from €24.29 million in 2017. Our balance sheet continues to remain very solid with €94.42 million in cash at the end of 2018 (up 29.9%) and shareholders' equity of €117.05 million at 31 December 2018, up from €104.92 million one year earlier.

The different projects carried out in 2018 perfectly illustrate our strategy and will contribute in 2019 to the increase in business for our Divisions, while supporting our growth momentum.

Dominique PAUTRAT
Managing Director

Corporate Governance



The Board of Directors

Pharmagest Group's Board of Directors ensures the application of the principles of good governance based on a respect of ethical business practices and transparency as well as the interests of the company, its shareholders and stakeholders.

The work of the Board which brings together a range of expertise and complementary experience, focuses on strategic issues, and in particular, increasing the company's value.

The Board remains informed throughout the year of the Group's business activity and results, market trends and expectations of patients and healthcare professionals throughout Europe. It studies acquisition projects and monitors the integration of recently acquired businesses. The Directors regularly meet with the Group's key executives. This transparent and constructive dialogue provides the basis for shared strategic vision which is thus implemented with confidence by the Executive Management.

Composition of the Board of Directors at 31/12/2018

From left to right:

Mr. Thierry PONNELLE
Deputy Managing Director - Director

Ms. Emilie LECOMTE
Director

Ms. Sophie MAYEUX
Independent Director

Mr. Hugues MOREAUX
Representing La Coopérative WELCOOP
Director

Mr. François JACQUEL
Director

Ms. Marie-Louise LIGER
Independent Director

Mr. Dominique PAUTRAT
Managing Director - Director

Mr. Thierry CHAPUSOT
Chair of the Board of Directors

Mr. Denis SUPPLISSON
Deputy Managing Director - Director

Ms. Céline GRIS
Independent Director

Ms. Anne LHOTE
Director

Mr. Daniel ANTOINE
Director

The Audit Committee

As a permanent body, the Audit Committee's main mission is to monitor the preparation of accounting and financial information, and the efficacy of the Group's internal control and risk management systems. It is also responsible for overseeing the audit of the annual and consolidated financial statements by the Statutory Auditors and for monitoring their independence.

The Audit Committee has three members, all appointed by the Board of Directors: Ms. Marie-Louise LIGER (Independent Director), Mr. Daniel ANTOINE (Director) and Mr. François JACQUEL (Director). Based on the recommendations of the MiddleNext "Corporate Governance Code", the Audit Committee does not include any member of the Board of Directors exercising an executive function.

This Committee is chaired by Ms. Marie-Louise LIGER based on her specific expertise in the area of accounting and finance.





Pharmagest Group's Executive Management focus is on strategy and monitoring the company's operations and performance. Corporate governance is spearheaded by the Finance and Personnel Management Committee, which is responsible for overall strategy. It is backed by the Management Committees of the different Business Lines, and Steering Committees that operate on a project management basis.

The Finance and Personnel Management Committee, a Group corporate governance body

With five permanent members, this Committee is tasked with studying the company's strategy and general policy as well as the financial impact of decisions on its results.

The Finance and Personnel Management Committee composition at 02/01/2019

From left to right:

Mr. Dominique PAUTRAT
Managing Director

Mr. Jean-Yves SAMSON
Chief Administrative and Financial Officer

Mr. Denis SUPPLISSON
Deputy Managing Director
Director of Solutions for Pharmacy Division - Europe

Mr. Damien MARINGER
Chief Technology and R&D Officer

Ms. Sabrina GHARBI
Director of Human Resources

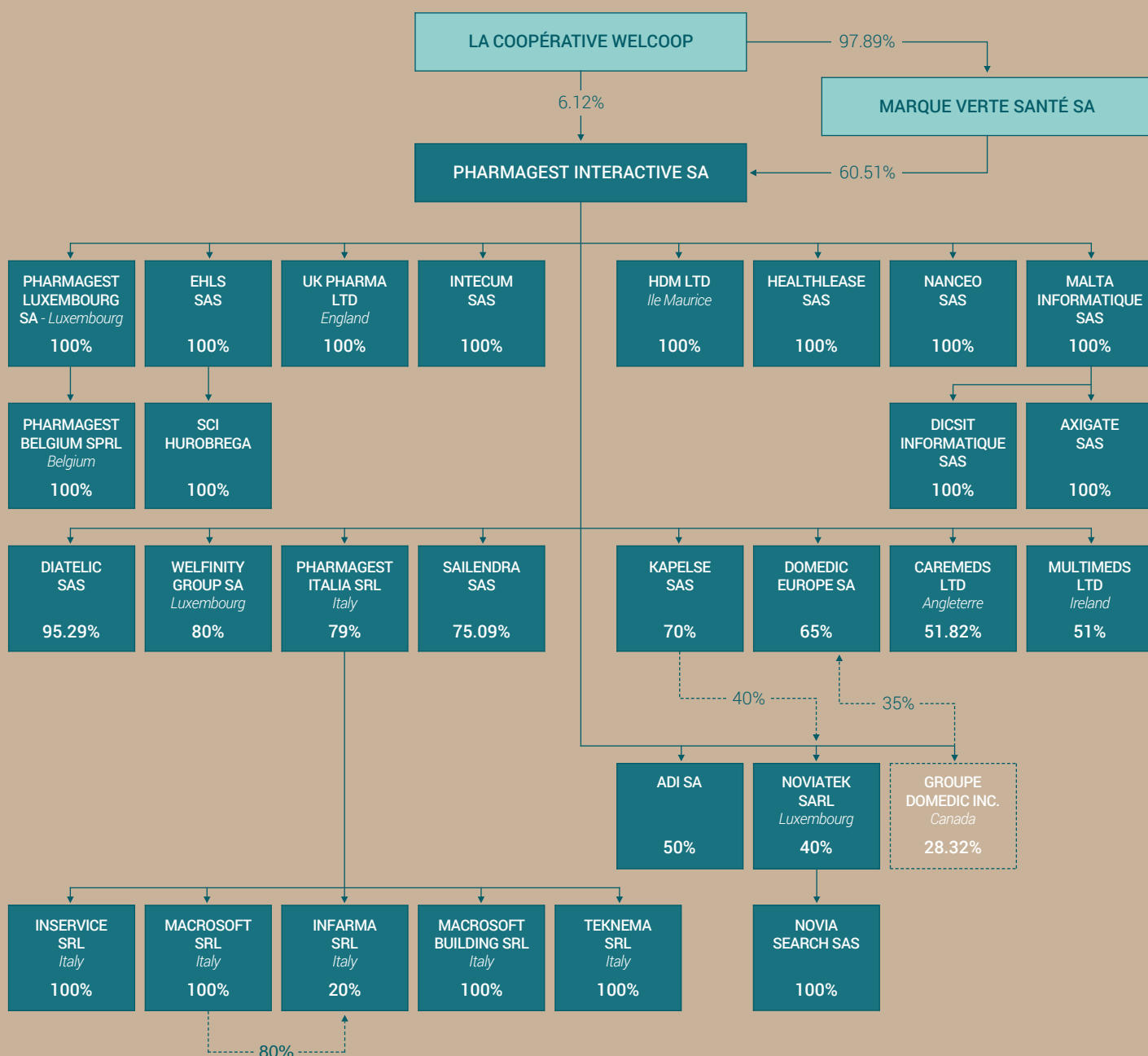
Other Committees

Each of Pharmagest Group's activities (namely the Pharmacies Europe, e-Health, Health and Social Care Facilities business lines as well as R&D) has its own Management Committee. It is responsible for implementing the strategy of Pharmagest Group and, in particular, the decisions made regarding each business.

This mission is supported by a cross-corporate approach where a representative from each participating department contributes on a project-by-project basis, from design to the sustainability phase, within the framework of the different Steering Committees. The project leaders report to the Finance and Personnel Management Committee.

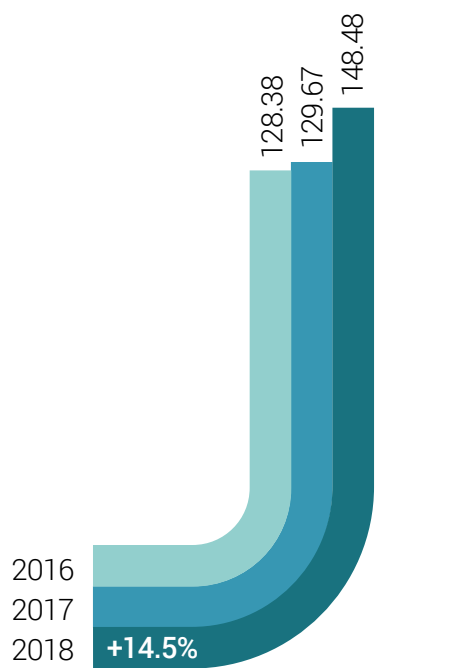


Pharmagest Group organisation
chart as of 31/03/2019

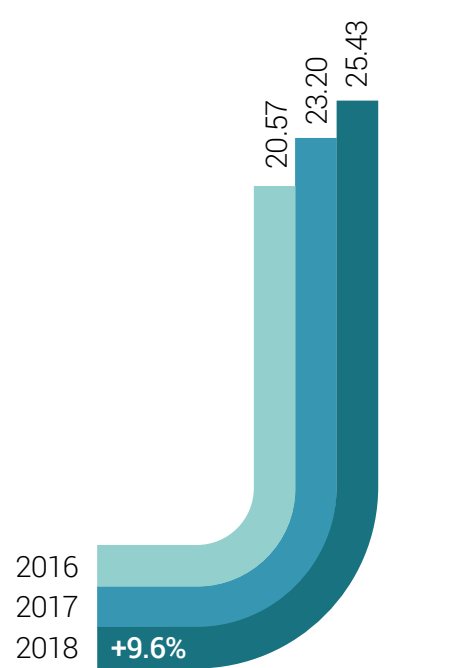


Light blue background: parent companies;
Blue background: fully consolidated subsidiaries;
Beige background, dotted: equity-accounted subsidiaries.

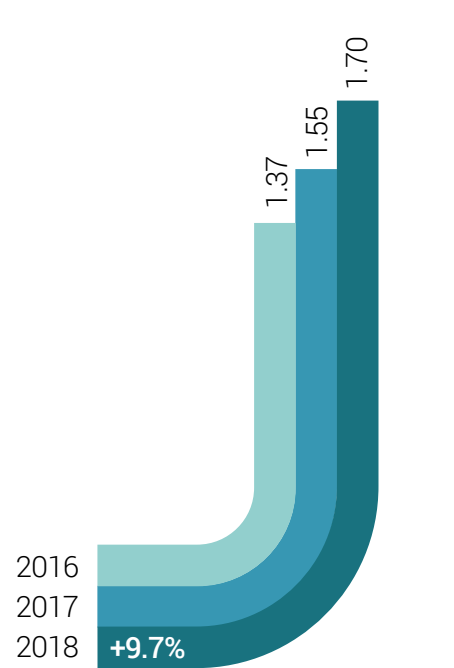
Sustainable growth



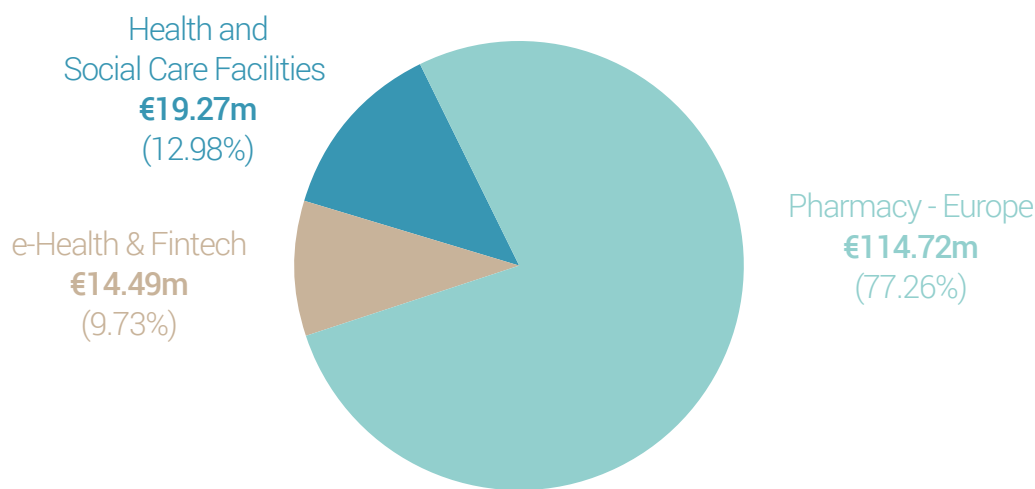
Growth in annual revenue since 2016
(In €m)



Growth in net profit attributable to equity holders of the Parent since 2016
(In €m)



Growth in basic net earnings per share since 2016
(In €)



Breakdown of revenue at 31/12/2018
(€m - as % of total Group revenue)

1,030
employees

5 countries in Europe

44%
market share in France

9,800
pharmacies equipped
in France

1,000
pharmacies equipped
in other countries



Our strategy

Pharmagest Group's motto is
**"Technology for a
more human experience"**

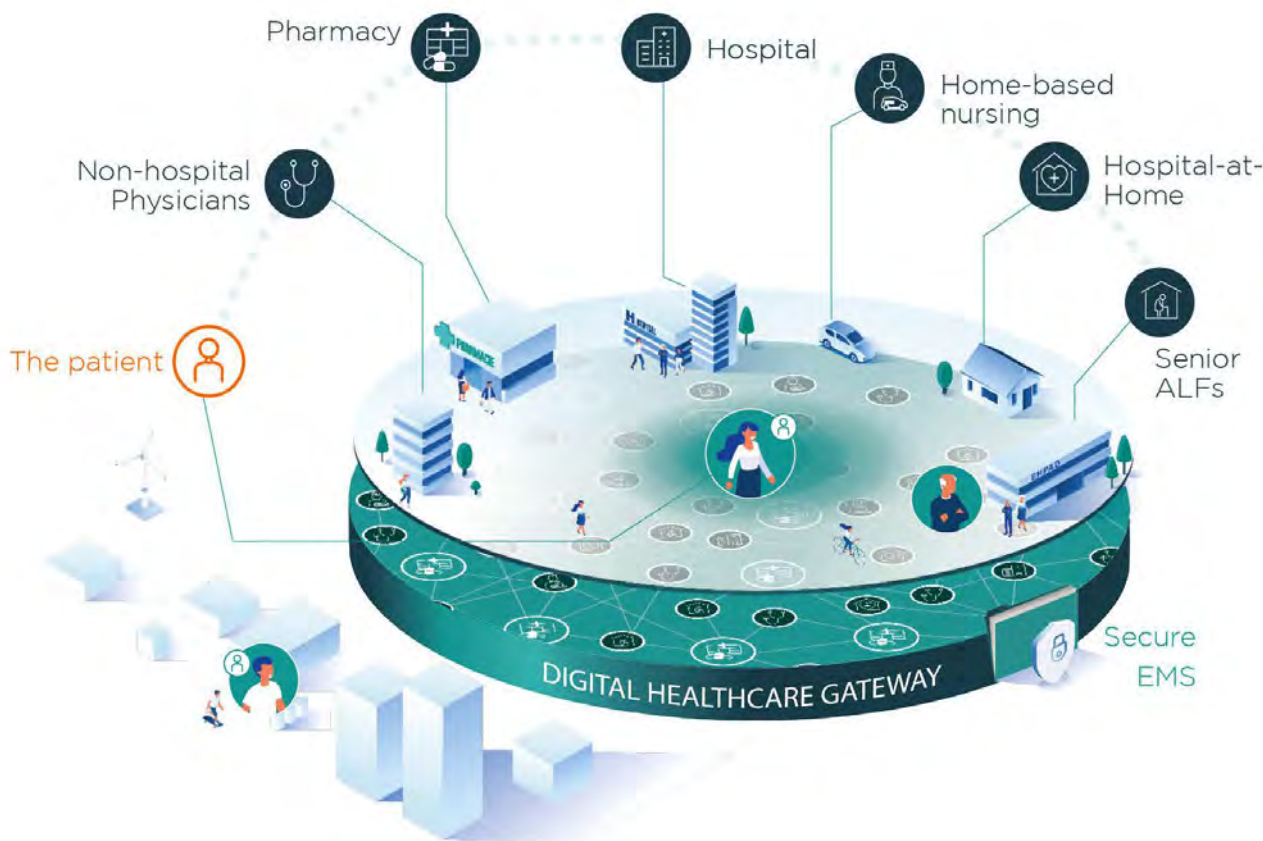


After initially focusing exclusively on pharmacists and pharmacy management solutions, Pharmagest Group gradually broadened the scope of its business model by introducing a "patient-centred" approach while continuing to strengthen its historical customer base.

Convinced that in the future, healthcare professionals will become increasingly interconnected and coordinated around the patient, Pharmagest Group has been gradually expanding its expertise to cover all advanced information technologies in health and related sectors.

y placing the patient at the heart of the healthcare ecosystem, through its products and solutions, Pharmagest Group seeks to strengthen the entire chain of care.

through this patient-centred innovation strategy, Pharmagest Group is establishing a position as a key contributor to the market transformation for pharmacists, healthcare professionals, private payers and public authorities.



An innovation-driven company

By creating today the pharmacy of tomorrow, by constantly inventing new solutions, Pharmagest Group has established its position as a key contributor to market transformation for pharmacist, healthcare professionals, the pharmaceutical industry private payers and public authorities.

Pharmagest Group's R&D strategy aims to design innovative software and satellite solutions, to offer new products, to maintain and upgrade existing solutions, and to meet internal development needs.

This strategy underpins the Group's activity where every effort is made to ensure that each patient is able to find the products and services he requires for his health and well-being, while at the same time maintaining the independence of the pharmacist's profession.

To support its strategy of integrating new know-how and countries, adapting to changes in its environment, adjusting to unforeseen developments and promoting the convergence of efforts for the beneficiaries of its solutions, Pharmagest Group has adopted an agile European, multi-professional health sector organisation, capable of being replicated, homogeneous and extendable.



Our Business Units



Employing over 1000 people, Pharmagest Group's specialised expertise covers all advanced information technologies addressing the health and related sectors, including pharmacy information systems, solutions for e-Health and pharmaceutical companies...

These businesses are organised into different Divisions in turn comprised of Business Units and supported by all corporate functions required for the operation of a major IT company.

Pharmagest Group has a customer base of 9.800 pharmacies in France and 1.000 pharmacies in other countries.

1. Solutions for Pharmacy Division - Europe

- Pharmacy France Business Unit
- Belgium and Luxembourg Pharmacy Business Unit
- Pharmacy Italy Business Unit

2. Health and Social Care Facilities Solutions Division

3. e-Health Solutions Division

- e-Patient Business Unit
- e-Pharma Business Unit
- e-Connect Business Unit

4. Fintech Division



Membership of a Pharmacists' Cooperative

PHARMAGEST INTERACTIVE is a majority-held member company of a pharmacists' cooperative (La Coopérative WELCOOP). As a result of this original profile, the Group's customers may also be shareholders in this same Group. The advantage of this structure is the strong connection with the pharmacy profession which provides it unique insight allowing it to anticipate and develop the tools to support its customers.

Pharmacy Europe Solutions Division

The European expert in pharmacy IT solutions with more than 10,000 customers, and the French market leader, Pharmagest Group has been operating in Belgium and Luxembourg since September 2007 and in Italy since March 2018.

This Division has three Business Units covering France, Belgium-Luxembourg and Italy respectively.

Pharmacy France Business Unit

€105.29m

in 2018

9,800

pharmacies equipped
or 44% of the French market

LGPI Global Services®

The leading pharmacy software solution in France, with the NF "Customer relations" French label of compliance for its centralised software support service

Pharmagest Group clearly identified a need for pharmacies to increase their sales and provide better advice to customers. In response to the growing trend in France to self-medicate and the increasing reliance on new Information and Communication Technologies (ICT), Pharmagest Group has developed innovative and market-specific solutions.

Rollout of the compliance monitoring software (LSO)

The Group continued to roll out its compliance monitoring solution in 2018. This application helps pharmacists perform their new roles (in particular as a tool for monitoring in-pharmacy patient interviews) and offers initial responses for addressing the public health challenge of compliance.

The development and deployment of LSO establishes Pharmagest Group as the only software company able to offer comprehensive software solutions for pharmacists.

OffiTeleconsult with CEGEDIM

At the end of 2018, after completing a technological partnership with CEGEDIM, the Pharmacy France Business Unit introduced its in-pharmacy teleconsultation solution. Addressing all pharmacies, this offering is designed to ensure patients in rural or low physician density areas remote access from their pharmacy to a primary care physician or other physicians within the applicable regulatory framework.

€114.72m

in 2018
or 77.26% of
Pharmagest Group revenue



Denis SUPPLISSON, Deputy Managing Director
Director of the Pharmacy - Europe Solutions Division

Shared Medical Record (SMR)

At 31 December 2018, more than 320,000 SMRs were created at pharmacies equipped with the LGPI Global Services® software suite.

OffiTag: e-paper electronic labels



OffiTag is an innovative and simple labelling management solution for pharmacies. Through its e-paper technology, this solution is able to update pharmacy labels in real-time from the global pharmacy services application, comply with legal obligations on the display of prices and digital merchandising.

With OffiTag, updating prices is no longer a low value-added, time-consuming and tedious task, but is replaced by a simple and highly dynamic tool for implementing the pharmacy's pricing strategy and increasing the margin and profitability.

Belgium and Luxembourg Pharmacy Business Unit

€4.21m
in 2018

17%
of the Belgian
market

10%
of the Luxembourg
market

As a market innovator in Belgium, through its subsidiary PHARMAGEST Belgium, the Group proposes a solution, **SABCO® ULTIMATE** (the Belgian equivalent of LGPI Global Services®) suited for all types of pharmacies and available in the country's two main languages, French and Dutch.

Pharmagest Group teams are constantly upgrading their software solutions to anticipate market developments, adapt to new legislative requirements for the pharmaceutical sector and meet the growing and expanding needs of Belgian pharmacists.

Development teams in France and Belgium work closely on adopting SABCO applications to satellite solutions developed by Pharmagest Group (OffiCentral®, OffiMédia®, FarmaMobile®, OffiSeen®, OffiCash®, OffiTouch®, etc.), in order to propose a comprehensive offering to Belgian pharmacies.

In Luxembourg, the **Officine 2016** pharmacy software suite has been enhanced by functionalities for compounding, direct orders and billing of veterinary customers. This product is a communications application providing exclusive access to an information portal and the DelphiCare database. Other features include a robot interface option, document scanning, an SMS function, an interface with electronic labelling, and financial order functions to calculate margins.



Pharmacy Italy Business Unit

€5.23m
in 2018

60%
of pharmacy wholesalers-distributors
equipped

35
pharmacies equipped
since SOPHIA was launched
at the end of 2018

In 2018, Pharmagest Group expanded into Italy by acquiring a majority stake in MACROSOFT HOLDING, the country's leading provider of automation solutions for distributors of pharmaceutical products (wholesale distributors).

PHARMAGEST Italia is specialised in providing IT equipment and services to wholesale distributors (purchasing, consulting, logistics, invoicing, sales and marketing). In a country counting around 50 pharmacy wholesalers-distributors, PHARMAGEST Italia currently holds a market share of more than 60%.

PHARMAGEST Italia also provides a range of innovative software management solutions to Italian pharmacies: **SOPHIA** (the Belgian equivalent of LGPI Global Services®). This innovation has allowed PHARMAGEST Italia to create a completely unique offering adapted to the specific characteristics of the Italian market.

The agencies of PHARMAGEST Italia

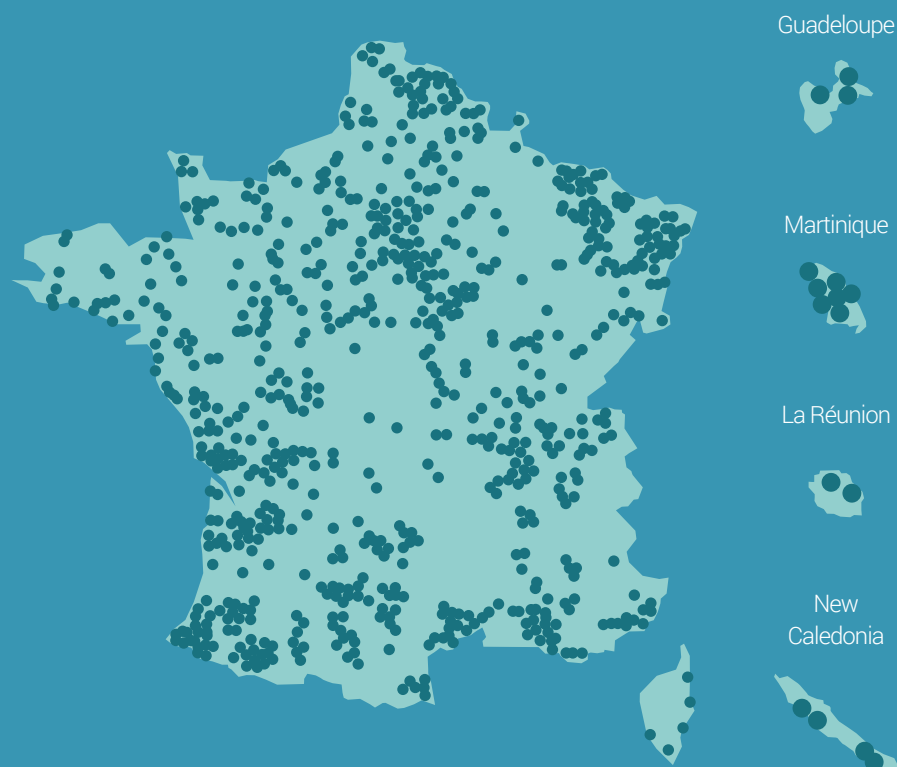


Health and Social Care Facilities Solutions Division

Spearheaded by MALTA INFORMATIQUE, it includes two direct subsidiaries: DICSIT INFORMATIQUE (acquired in March 2016) and AXIGATE (integrated in July 2017).

With more than 120 employees, the scope covered by the Division includes software application for Hospitals, Hospital-at-Home programmes, Home-based Nursing Services (SSIAD), elderly residential care homes (EHPAD) and Local Information and Coordination Centres for Older Persons (CLIC), representing an installed base of approximately 3,000 establishments in France and the French Overseas Departments and Territories.

Senior assisted living facilities (ALFs) equipped by MALTA INFORMATIQUE in France and French Overseas Departments



Grégoire DE ROTALIER, Director of the Solutions for Health and Social Care Facilities Division

In 2018, the Health and Social Care Facilities Solutions Division worked on a new CARE PATHWAY management project to permit:

- the transfer of the files of residents in care between the different structures (elderly residential homes, Hospital-at-Home programs, home-based nursing programmes);
- the management of pathways within larger health ecosystems such as regional hospital groups or multi-activity groups in the healthcare and social care universe.

€19.27m

in 2018
or 12.98% of Pharmagest
Group revenue

120
employees

3.000

establishments equipped
throughout France and French Overseas
Departments and Territories

150

establishments equipped
with the most recently introduced
teleconsultation offering

350

SMRs installed
at ALFs for seniors



AXIGATE

Through its integrated 100% cloud-based and web responsive Hospital Information System (HIS) across multiple devices (tablets, smartphones, PCs, ...) providing complete traceability and management of the patient care cycle, in 2018 AXIGATE was awarded the call for tenders for the Armor territorial hospital group.

AXIGATE, as a subsidiary of MALTA INFORMATIQUE, paves the way for major functional, technical and operational synergies for Pharmagest Group for ensuring continuity between hospital and non-hospital care pathways and pooling IT resources with the creation of territorial hospital groups (*Groupements Hospitaliers de Territoire* or GHT) in France.

MALTA INFORMATIQUE

At the end of 2018, MALTA INFORMATIQUE launched a **teleconsultation solution fully integrated with the TITAN application**. An innovation for the sector, compliant with French health authority prerequisites and designed to improve the care of residents of senior assisted living facilities (ALFs).

DICSIT INFORMATIQUE

Growth in the sector has allowed DICSIT INFORMATIQUE to develop significant new bases to support its Hospital-at-Home solutions.

DICSIT INFORMATIQUE has introduced several major functional and technological enhancements which will contribute to **efficiently equipping healthcare professionals and private practitioners** intervening in Hospital-at-Home and home-based nursing programs. This new model provides unrivalled traceability and further improvements in managing the invoicing process for private practitioners working with establishments equipped with the Group's solutions.

Finally, DICSIT INFORMATIQUE proposes as a new complementary solution a dedicated online platform which enables its partner hospital-at-home healthcare professionals to monitor their patient files and billings.



e-Health Solutions Division

The e-Connect Business Unit

The e-Connect Business Unit designs, develops, produces, installs and operates innovative e-Health solutions to on the one hand, secure monitoring of patients at their place of residence and, on the other hand, optimise care pathways.

The main markets of the e-Connect Business Unit are **telehealth and equipment for healthcare professionals** characterized by digitisation and enhanced security of administrative processes for health professionals, robust authentication protocols to access remote services and shared records, and patient monitoring.

€12.82m

in 2018
or 8.63% of Pharmagest
Group revenue

150,000

patients
monitored in 2018

KAPELSE Solutions

In 2018, KAPELSE obtained certification and enhanced its platforms by adding new features such as the creation of SMR (Shared Medical Record) and a secure patient consent service. These latest additions met with considerable success (more than 50,000 services deployed in the 2018 third-quarter) and strengthened the technological choices in terms of platform intelligence and infrastructure developed and industrialised by KAPELSE.

KAPELSE also contributes to projects led by the e-Patient Business Unit by offering comprehensive, simple and secure systems for remote patient monitoring, as well as functionalities that are critical to treatment compliance and optimising the care pathway. The components developed by KAPELSE - and notably Kap'Teur by Kapelse® - are integrated in the Carelib and Noviacare offerings.

NOVIATEK Solutions: *Noviacare™ by Pharmagest*

After an experimentation phase, the commercial launch of the Noviacare® box was launched with the support of its partner FILIEN ADMR, one of France's leading telecare service providers, providing homeware assistance to 700,000 people.

The Hong Kong Electronic Industries Association (HKEIA) awarded NOVIATEK the

prestigious Product of the Year and Gold Award on 15 October 2018 at its fall edition of the Hong Kong Electronics Fair. This award for outstanding innovation and technology was given to NOVIATEK for its AI driven health box for seniors (Santé Senior *Noviacare™ by Pharmagest*), in the "Innovation and Technology" category as well as in the general category of "Product of the year".

Marc DE SIMONE (left), International Board of Pharmagest Group, and Régis CIRE (right) director and cofounder of NOVIATEK, receiving the prize for the best product of the year and the 2018 gold medal awarded by HKEIA. Hong Kong World Economic Fair - October 2018.



The e-Patient Business Unit

The e-Patient Business Unit covers all solutions developed by the Group **in the service of patients**.

These tools provide pharmacists with solutions to improve patient treatment monitoring and cover a wide range of pathologies, from renal failure (medical tele-monitoring of home dialysis) or respiratory insufficiency, to initiatives designed to prevent the deterioration in the health of patients with impaired autonomy.

The e-Patient Business Unit in consequence offers powerful AI-based patient telemonitoring and medication compliance solutions.

eNephro

In September 2018, eNephro became the number one home telemonitoring solution for chronic kidney disease patients with its modules for monitoring patients in dialysis units (UAD - autonomous dialysis units and UDM - medical supervised dialysis) and for post-transplantation monitoring. In line with this development, Pharmagest Group has announced a partnership with the Nancy

Regional and University Hospital (CHRU) focusing on this innovative technological solution. With an active list of more than 1,200 transplant patients, the nephrology department of the hospital in Nancy has adopted remote monitoring for its patients using the eNephro solution developed by Pharmagest Group.

KORIAN partnership

Pharmagest Group entered into a partnership with the KORIAN Group to co-create an innovative multi-service offering care and support for vulnerable persons both at home and in assisted living facilities for the elderly (EHPAD). Built around the CareLib offering, this partnership will make it possible to co-develop a platform for home-based connected objects, providing elderly persons with impaired autonomy with innovative services for prevention, telecare and maintaining social ties with the objective of allowing them to remain in their homes as long as possible.



The e-Pharma Business Unit

The e-Pharma Business Unit develops **digital patient communications solutions for pharmaceutical companies** to help pharmacists in fulfilling their new roles on the front line of patient care as well as training services, information and communications initiatives specifically adapted to the pharmacist's needs.

It also proposes solutions **designed for the general public** (health observatories, prevention and information initiatives, a mobile app for pharmacy customers, *Ma Pharmacie Mobile...*).

"Ma Pharmacie Mobile®" app

In a context of increasing mobility, Group Pharmagest has developed the Ma Pharmacie Mobile® app which allows pharmacists to provide additional support to patients. This free app, available on iPhone™ and Android™, enables patients to find the nearest open pharmacy, send a scan of their prescription, access their medication history or receive reminders to take their medication.

At the end of 2018, there were more than 200,000 downloads of this application and more than 195,000 prescriptions were transmitted to pharmacies by patients.

Fintech Division

€1.67m

in 2018
or 1.1% of Pharmagest
Group revenue

NANCEO is a provider of equipment lease financing solutions in the services sector.

NANCEO created **Leasa by Nanceo®**, an online gateway operating like a hub to:

- **submit** financing applications in an easy and intuitive manner by dealers or distributors;
- **provide** easy one-click access to the main lease financing providers on the market;
- **manage** all sales financing processes automatically;
- **manage** one's portfolio of customer "lessees", from the lease's inception to the end of its term.

The equipment leasing markets

Leasa by Nanceo® addresses all companies selling products through lease arrangements, i.e. involving the payment of periodic instalments. In this way, NANCEO provides financing for all types of equipment. Today, focused mainly on the sectors of medical, office, computer, telephony, security, and printing equipment or developing and selling software applications, NANCEO's services are constantly being expanded into new areas: energy savings, imaging, electronic document management systems (DMS), etc.

Business model

The tools developed by NANCEO are agile and capable of taking into account the specific needs of each partner and propose custom-design solutions.

NANCEO's offering covers the full scope of vendor financing ranging from simple partnership solutions to exclusive partnerships and the creation of captive financing solutions. These three models provide additional earnings streams for Pharmagest Group's partners.

In 2018, the Fintech Division has continued to roll out its application reserved for NANCEO certified partners offering mobile capabilities for its **Leasa by Nanceo®** financing platform. Available on Android and iOS (telephones and tablets), this application revolutionises exchanges between lessors, sellers and end-customers. Where previously long and fastidious procedures were required, this application makes it possible to obtain immediate financing approval, without the hassle of excessive formalities.



Sustainable Development: an objective of global performance



The Pharmagest Group's Non-Financial Statement

is included in the 2018
Registration Document
(pages 181 to 202)

www.pharmagest.com

Section FINANCE.

The values of corporate citizenship are an integral part of Pharmagest Group's business and strategy, and namely:

1. Creating innovative solutions to:

- help customers meet the challenges of a constantly changing environment and maintain the profitability of their business in a difficult economic climate;
- provide Pharmagest Group with a competitive advantage.

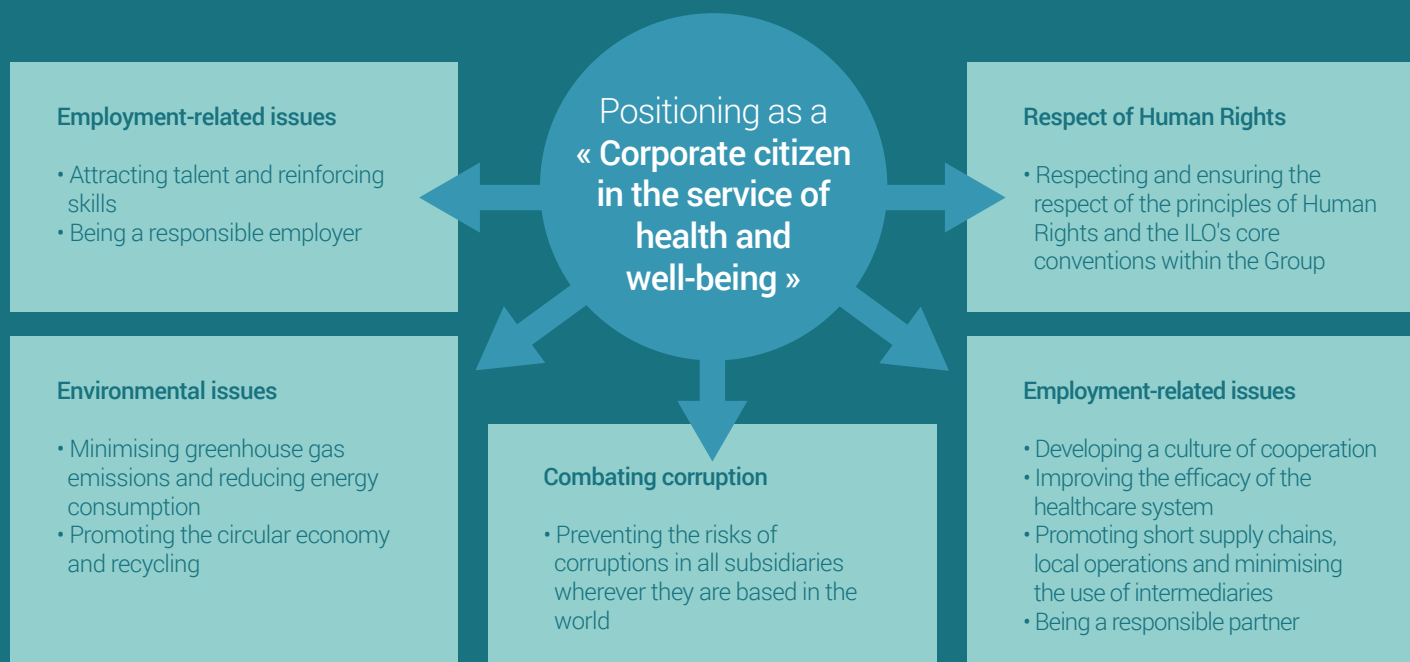
2. Contributing to achieving the "health" objective of public authorities and people alike through new technologies.

Conscious of the importance of expertise and the contribution of each employee to the success of its strategy, Pharmagest Group is improving work conditions and the fulfilment of its employees is a particular priority, along with that of training.

Reducing the environmental impacts of the activities of Pharmagest Group is also a priority.

The integration of the principles of sustainable development in Pharmagest Group's activities must therefore contribute to the sustainability of its business, encourage innovation and in this way, the effective execution of its strategy.

Our non-financial priorities

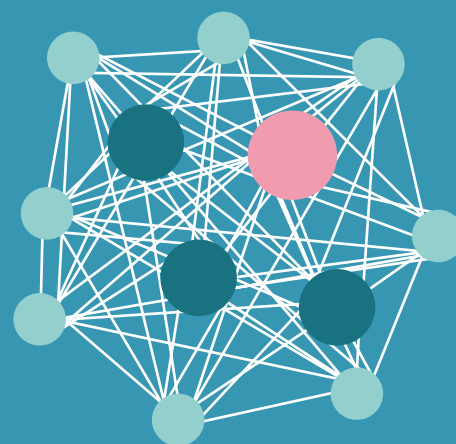


The strategic significance of health data

In health as in other areas, technological progress is driving an explosion in the quantity of information constantly being collected.

This technological acceleration will exponentially increase the volume of available data. A boon for health research, with big data representing a virtually endless source of new knowledge indispensable for innovation and medical progress!

Companies, research institutes (not-for-profit and for-profit), sciences, doctors, manufacturers... Big data is of interest to a large number of health sector stakeholders as a contributor to numerous medical advances.



Pharmagest Group innovates with Embleema

January 2019: Pharmagest Group acquires an equity stake in the Franco-American start-up, Embleema.

Objective: developing Blockchain based applications for sharing health data. Embleema is developing a Blockchain-based digital platform for sharing health data, destined to become a key technology for protecting data and ensuring transparency for the patient.

Security: a secure distributed database technology. The Blockchain renders data unalterable.

Transparency: all transactions are traceable and tamperproof.



Embleema

Pharmagest Group's key role

PHARMAGEST's strength: patient recruitment

- This equity acquisition fits its strategic focused on developing innovative patient-centred solutions.
- With the development of its LGPI Global Services® software suite, the roll-out of its compliance monitoring software (*Logiciel de Suivi d'Observance* or *LSO*) and the AXIGATE Electronic Medical Records solution, Pharmagest Group is already at the crossroads of the patient information revolution.
- The Blockchain technology will make it possible to develop new offerings.
- Patient consent to sharing data is registered in a "Smart Contract". No data can be consulted, shared or sold without the patient's authorisation. Access and use of the patient's health data is fully traceable through the Blockchain "Smart" Contract platform.

How Embleema has revolutionised the health data market?

Embleema Empowes patients to fully own and control their medical information each patient collects and owns his or her health-care data and is free to sell it or not.

Embleema accelerates the pace of medical research by providing Real World Evidence (RWE): healthcare professionals will qualify this "real world evidence" and set its value in reference to the requirements of authorities to accelerate the process of bringing new treatments to market.

This acquisition will allow Pharmagest Group to accelerate the development of Embleema solutions which are perfectly adapted to the needs of the Group's activities, particularly in the promising e-Health sector. Pharmagest Group is the technical operator acting with the role of intermediary between the patient and pharmaceutical companies.

Embleema: the first global health data marketplace for research between patients, clinical, academic or pharmaceutical research companies and healthcare authorities.

Patients receive **compensation in the form of digital tokens** (RWE Tokens - for Real World Evidence) in exchange for their data.

All partners of the network receive payment through these tokens for their activities of collecting and secure storing patient health data.

These tokens will serve as a means of exchange between patients, researchers, pharmaceutical companies and data suppliers (healthcare establishments, healthcare professionals, patient associations...).

The acquisition or possession of RWE Tokens guarantees access to the network. Pharmagest Group acquired 30 million tokens during the Private Placement ICO (Initial Coin Offering) launched by Embleema France in October 2018.

The Token will drive a decentralised health-care data economy.



A sustainable performance generating shareholder value

On 29 March 2019, the Board of Directors proposed at the Annual General Meeting of 27 June 2019 the payment of a gross dividend of €0.85 per share for fiscal 2018, an increase of 13.3 % from the previous year.

€0.85

Dividend per share
for fiscal 2018,
up 13.3%.

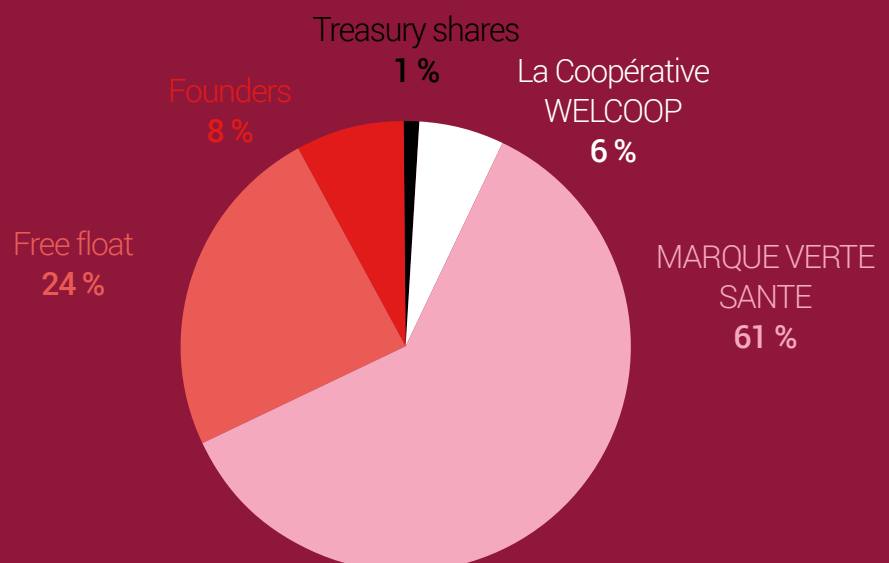
The dividend payment
date is **3 July 2019**.

Individual shareholders:
supporting a group which
combines economic success
with building the healthcare
system of tomorrow

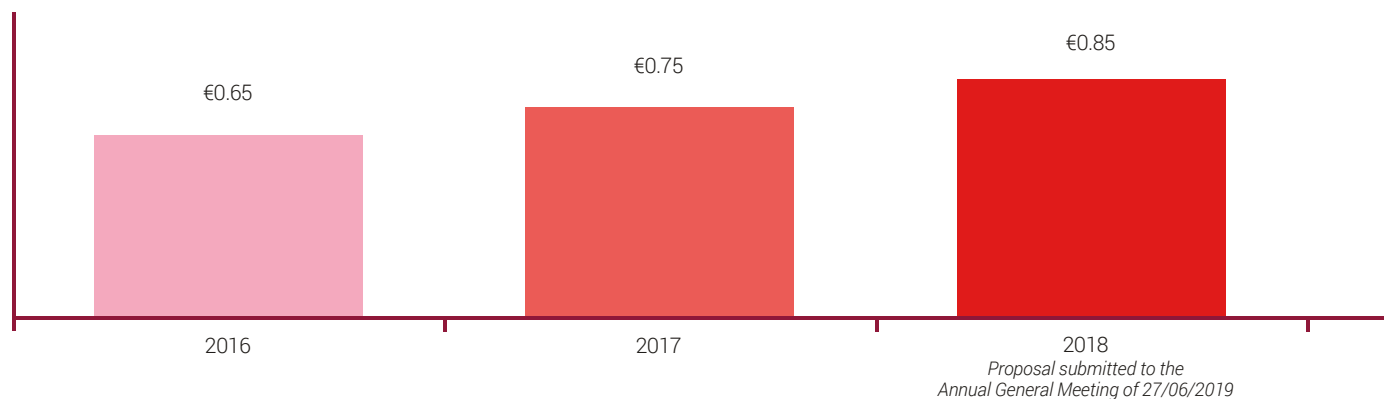
Being a shareholder of Pharmagest Group
means supporting a dynamic business model
producing innovations and anticipating trends
and Health.

It also means participating in the develop-
ment of a major contributor to the transfor-
mation of the Health ecosystem in Europe.

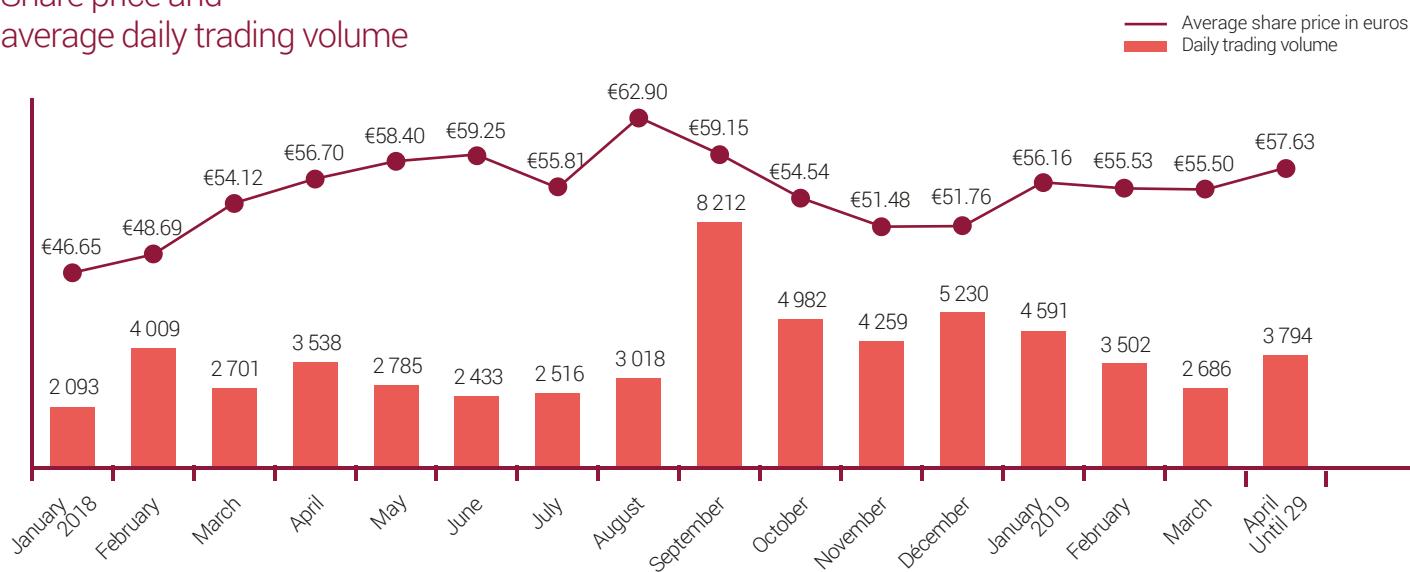
Breakdown of share capital
at 31/03/2019



Dividend growth



Share price and average daily trading volume



Website and shareholder publications



The Pharmagest Group website has a **dedicated space for individual shareholders and institutional investors** in the FINANCE section.

Share price and real-time, results, financial reporting schedule, press releases, special investor publications, shareholders' letters, annual report and registration document, videos... The www.pharmagest.com website provides a way to stay connected to Group news and developments.

Market capitalisation
as at 29 April 2019

€872
million

Financial highlights

Consolidated balance sheet (IFRS) at 31 December 2018 and 2017

Statement of Financial Position - Assets - In € thousands	31/12/2018	31/12/2017
Non-current assets		
Intangible assets	24,182	18,993
Goodwill	46,005	38,819
Property, plant and equipment	8,511	5,880
Non-current financial assets	34,857	19,083
Equity-accounted investments	730	900
Deferred tax assets	2,777	4,331
Total non-current assets	117,062	88,006
Current assets		
Inventory and work-in-progress	5,108	2,781
Trade receivables	31,962	22,937
Other receivables	8,382	8,727
Current financial assets	28,725	28,134
Cash and cash equivalents	32,569	27,577
Total current assets	106,746	90,155
TOTAL	223,808	178,161

Statement of Financial Position - Equity and Liabilities - In € thousands	31/12/2018	31/12/2017
Share capital		
Share capital	3,035	3,035
Consolidated reserves	85,380	76,249
Profit for the year	25,432	23,196
Equity attributable to equity holders of the parent	113,847	102,480
Reserves attributable to non-controlling interests	1,599	1,347
Net income attributable to non-controlling interests	1,606	1,094
Non-controlling interests	3,204	2,442
Total shareholders' equity (consolidated group)	117,051	104,921
Non-current liabilities		
Non-current provisions	4,070	3,441
Bank and other long-term borrowings	36,948	14,197
Deferred tax liabilities	538	887
Other long-term financial liabilities	524	2,688
Total non-current liabilities	42,079	21,213
Current liabilities		
Short-term provisions	75	152
Current portion of long-term debt	6,240	2,681
Trade payables	11,909	9,560
Current tax	594	655
Other current borrowings	45,860	38,979
Total current liabilities	64,678	52,027
TOTAL	223,808	178,161

Consolidated profit and loss statement (IFRS 15) at 31 December 2018 and 2017

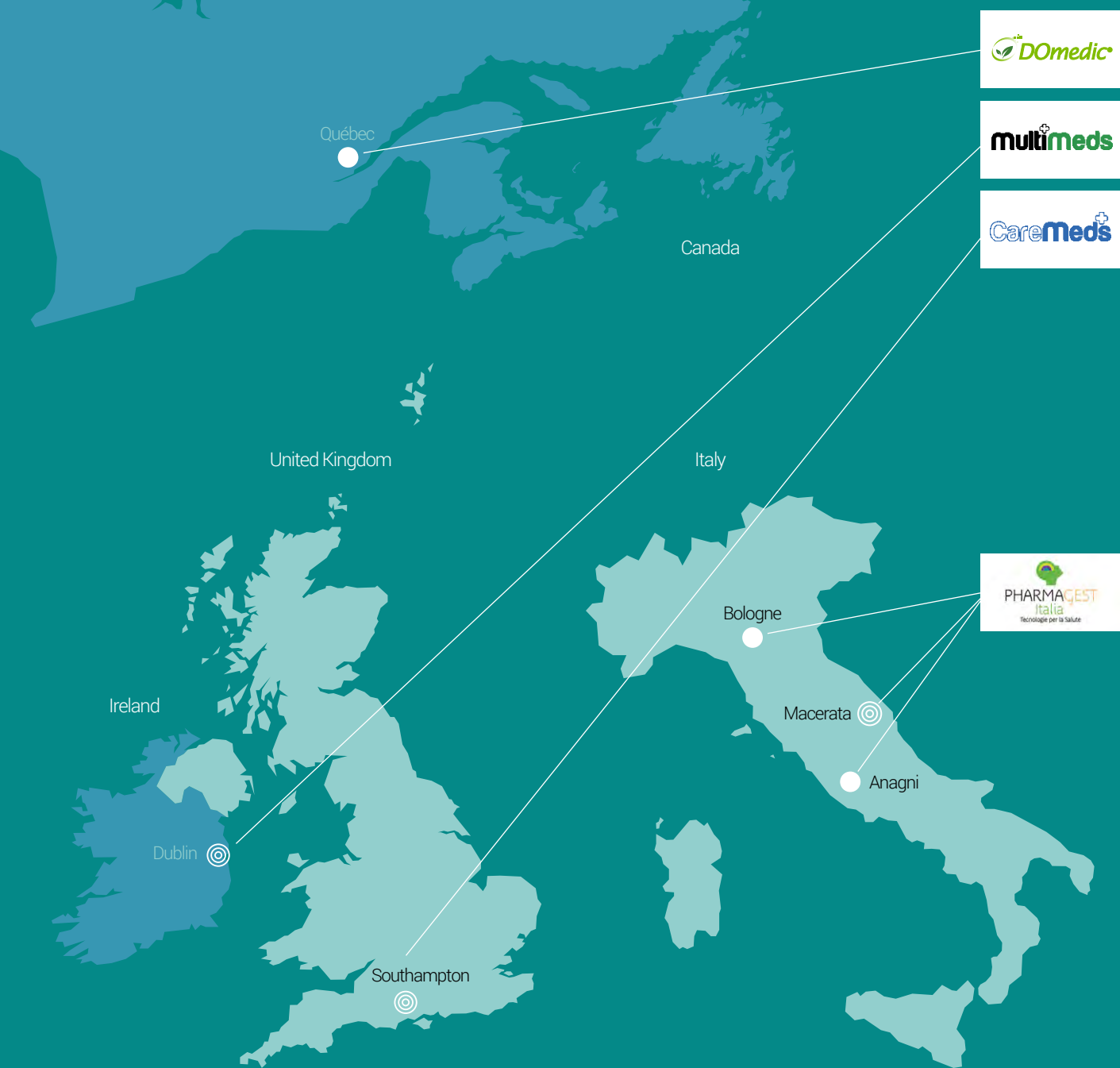
Statement of profit or loss - In € thousands	31/12/2018	31/12/2017
Revenue	148,480	129,669
Other revenue from ordinary activities	0	0
Operating income subtotal	148,480	129,669
Cost of sales	-26,676	-23,478
Staff costs	-52,980	-47,144
Purchases and external costs	-21,608	-17,475
Taxes other than on income	-3,081	-2,749
Allowances for depreciation and amortisation	-5,235	-4,236
Allowances for provisions	-218	-322
Other income and expenses	203	39
Operating expenses subtotal	-109,595	-95,366
Current operating income	38,886	34,304
Other operating income	0	0
Other operating expenses	0	0
Operating profit	38,886	34,304
Income from cash and cash equivalents	1,147	1,350
Cost of gross financial debt	-294	-218
Cost of net financial debt	853	1,132
Other financial income and expenses	153	-340
Income tax expense	-12,722	-10,692
Negative goodwill	30	0
Share of net income (loss) of equity-accounted investees	-162	-114
Profit/(loss) from continuing operations	27,038	24,290
Profit/(loss) from discontinued operations	0	0
Net profit (loss) of the period	27,038	24,290
Attributable to equity holders of the parent	25,432	23,196
Attributable to non-controlling shareholders	1,606	1,094
Basic earnings per share attributable to equity holders of the parent	1.70	1.55
Diluted earnings per share attributable to equity holders of the parent	1.68	1.53



Registration Document

Detailed information on the 2018 financial statements can be found in the Registration Document online at:
www.pharmagest.com/finance/regulation/information

Pharmagest Group: international network







PHARMAGEST

Technologies for health

5, allée de Saint Cloud
54600 Villers-lès-Nancy - France

Tel. : +33 (0)820 90 81 00
Fax : +33 (0)3 83 15 98 05

www.pharmagest.com