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PRESS RELEASE

2019 RESULTS

- **Revenue: +6.79% to €158.57m**
 - The Group meets its growth targets
 - All Divisions registered gains
- **Solid earnings growth**
 - Net Profit: +12.29% to €30.36m
 - Operating Profit: +5.05% to €40.85m
 - The Group is continuing to ramp up R&D
- **Dividend proposal for FY 2019: €0.90 per share.**
- **For 2020, in light of the current context, Pharmagest Group has not issued forecasts. However, based on the considerable strengths of its business model, including notably strong recurrent revenue streams (66%) and gross sales (68%), an excellent balance sheet and its diverse portfolio of health-related activities, it is confident in its ability to navigate this crisis of unprecedented proportions.**

€m	Dec. 2019	Dec. 2018	Change
Revenue	158.57	148.48	+6.79%
Operating Profit	40.85	38.89	+5.05%
Net Profit	30.36	27.04	+12.29%
Net profit attributable to equity holders of the Parent	28.40	25.43	+11.68%
Basic earnings per share (in €)	1.89	1.70	+11.26%

In application of emergency measures adopted of the French government (Ordinance N° 2020-321 of 25 March 2020, adapting the rules for meetings and deliberations of assemblies and governing bodies of legal persons and entities without legal personality under private law as a result of the COVID-19 epidemic), PHARMAGEST's Board of Directors' meeting was duly held on 27 March 2020 by videoconferencing under the chairmanship of Thierry CHAPUSOT and attended by the Statutory Auditors.

The Board examined and approved the accounts for the 2019 financial year. The audit procedures for the consolidated accounts have been performed. The auditors' report will be issued after the management report has been reviewed and the finalisation of procedures required for filing the annual financial report.

➤ **Consolidated financial highlights**

Pharmagest Group reported annual revenue of €158.57 million, up 6.79% from 31 December 2018. On a pro forma basis (i.e. like-for-like excluding the disposals of CPI and INTECUM in H1 2019 and the acquisitions of SVEMU, ICT and I-MEDS in H2 2019), revenue would have grown 5.64%.

Operating Profit of €40.85 million (which includes restructuring costs for companies acquired in 2019 of €700,000) **rose 5.05%** from one year earlier.

- **Operating Profit of the Pharmacy - Europe Solutions Division amounted to €28.30 million** with profitability remaining at a good level and accounting for 69% of the Group's consolidated operating profit, despite one-time restructuring costs for recently acquired companies (notably in Italy).
- **Operating Profit for the Health and Social Care Facilities Solutions Division came to €7.36 million** or 18% of the Group's consolidated operating profit. Despite lower sales from the Hospital BU (reflecting the very long administrative decision-making process), this Division also maintained its level of profitability. The integration of the ICT Group within the new specialty segment of multi-professional and paramedical healthcare and territorial health professional communities has strengthened the Division's market position across the private practice office-based and hospital spectrum and the promotion of new services like the Digital Healthcare Gateway.
- **For the e-Health Solutions and Fintech Divisions, Operating Profit amounted to €5.20 million** or 13% of the Group's consolidated operating profit. The profitability of the Divisions increased significantly. They are continuing to ramp up their investments in R&D and confirm their goals for developing in both national and international markets.

Net Profit rose 12.29% to €30.36 million, up from €27.04 million in 2018.

Basic earnings per share increased 11.26% to €1.89 (€1.70 in 2018).

PHARMAGEST INTERACTIVE will propose a **gross dividend per share of €0.90** to the Annual General Meeting on 29 June 2020.

Gross cash amounted to €97.66 million at 31 December 2019 (including available-for-sale securities and other investments), **up 3.4%**. When compared however to the 29.9% increase in 2018, the change in cash in 2019 must be analysed notably in relation to the operating and financial investments in the period (€33.1 million).

Shareholders' equity stood at €131.91 million at 31 December 2019 compared to €117.05 million at the end of 2018.

➤ **2019 highlights**

- **Acquisition of an equity stake in Embleema**, a Franco-American start-up specialised in the secure sharing of personal health records through blockchain technology. This transaction exemplifies the Group's strategic focus on developing innovative patient-centred solutions. This platform developed by Embleema allows patients to regain control over their health data, while ensuring their consent for sharing this data and allowing them to participate in medical research.

- **Acquisition of an equity stake in the Italian company, PHARMATHEK**, the leader in pharmacy automation solutions and also present in France, Germany, Spain, Switzerland and selected countries in South America. Through this acquisition, Pharmagest Group has strengthened its portfolio of pharmacy automation solutions and businesses in France and Europe.
- **Acquisition of an 80% majority stake in the capital of SVEMU INFORMATICA FARMACEUTICA**, a specialised provider of IT solutions with an installed base of 800 pharmacies throughout Italy. This acquisition reinforces the technological and technical building blocks of PHARMAGEST ITALIA's SOPHIA software suite.
- **Acquisition of a 70%-stake in ICT Group**, an independent software vendor and provider of web-based software solutions for health centres grouping multiple professionals and private practitioners as well as the future paramedical healthcare and territorial health professional communities being created in France. The ICT Group equips 200 structures housing a range of healthcare professionals counting a total of 5,000 users of its *ICT Chorus*[®] software solution.
- **Deployment of a Digital Gateway at the Marseille Public University Hospital**. By breaking down barriers, the Digital Health Gateway represents a major innovation in the service of patients and healthcare professionals, facilitating the sharing of healthcare information between hospitals, healthcare establishments and health professionals. For its deployment, Pharmagest Group is assisted by the expertise of its subsidiaries (AXIGATE, PHARMAGEST INTERACTIVE, MALTA INFORMATIQUE, DICSIT INFORMATIQUE) and its strategic partner CEGEDIM.

➤ **Significant subsequent events**

- **MALTA INFORMATIQUE is continuing to develop in Europe by acquiring the activities for developing software solutions for nursing homes and specialised establishments of the Belgian company, CARE SOLUTIONS, and creating MALTA BELGIUM**. This acquisition provides access to more than 630 ALFs for seniors in Belgium out of the country's total of 1,540 retirement homes. In conjunction with the acquisition of CARE SOLUTIONS' activities, MALTA INFORMATIQUE signed a strategic partnership with Colisée Group, Europe's fourth-largest provider of solutions for elderly care and well-being.
- **AXIGATE was selected by RESAH (*Réseau des Acheteurs Hospitaliers*), the French hospital purchasing network, to address the needs of regional hospital groups in monitoring patient pathways**. As a French leader in the Hospital Information Systems (HIS) sector, AXIGATE provides an innovative solution for electronic medical records addressing multi-establishment information needs and covering the inter-and intra-hospital patient pathway. AXIGATE's information system addresses the needs of all healthcare stakeholders: hospitals, regional hospital groups, ALFs, Hospital-at-Home programmes and home-based nursing services but also private practice physicians.

➤ **2020 outlook**

Exceptional circumstances linked to the Coronavirus COVID-19 pandemic

In the face of the current health crisis linked to the **COVID-19** pandemic, Pharmagest Group has been focused on safeguarding the health and safety of its employees. Within the

framework of its prevention and business continuity plan deployed by Management, procedures are being continually adapted and strengthened in line with instructions issued by public authorities and governmental bodies.

Within the framework of its IT service continuity plan, since the beginning of March, Pharmagest Group has been preparing for the COVID-19 PHASE 3 confinement plan by strengthening its IT measures, and notably deploying secure remote access capabilities and implementing solutions for virtual meetings. Today, 86% of its employees are active, either on-site, through teleworking or in the field (today, nearly 10% of its technicians and instructors are mobilized daily in providing assistance to pharmacists).

At this stage of the pandemic, it is difficult to evaluate the consequences on the Group's revenue and profitability. The nature of the Pharmagest Group's business model, based on recurrent revenue streams (66%) and gross sales (68%), its excellent balance sheet combined a diverse portfolio of health-related activities, represent major strengths which should limit the impact of this health crisis on the growth of its sales and margins.

Pharmagest Group will keep the market informed of any significant developments of this health crisis impacting its activity.

➤ **Acquisition of PANDALAB**

Pharmagest Group today announced the completion of its acquisition of a majority stake through its Health and Social Care Facilities Solutions Division managed by its subsidiary MALTA INFORMATIQUE, in the start-up PANDALAB specialised in secure and instant messaging solutions for healthcare professionals.

This acquisition will strengthen Pharmagest Group's offering of solutions by ensuring improved coordination across the patient pathways.

Designed to facilitate dialogue and the exchange of information and documents among healthcare team members across private practice office-based and hospital environments, PANDALAB was created in 2016 and today is recognized as an indispensable tool in the service of the digital transformation of healthcare professionals.

PANDALAB currently services a community of more than 5,000 healthcare professional users in more than five regions of France.

In March 2020, it crossed the milestone of 100,000 messages per month.

Since the beginning of the COVID-19 crisis, PANDALAB has registered very strong growth in the number of accounts created and messages sent.

In light of Pharmagest Group's function as a secure health messaging system operator (MSSanté) since 2017, significant synergies are expected within its Social Care Facilities Solutions Division – ALFs, hospital at home programs, home-based nursing programmes, senior service centres (CLIC), multi-professional and paramedical healthcare providers, territorial health professional communities and hospitals – but also other companies (in particular for pharmacy solutions and e-Health).

A specific announcement will be issued by MALTA INFORMATIQUE on this acquisition in the coming days.

➤ **Upcoming events**

- End of April 2020: Release of the 2019 Universal Registration Document
- 14 May 2020: Publication of 2020 first-quarter sales
- 29 June 2020: Annual General Meeting
- 5 August 2020: H1 2020 revenue

About Pharmagest Group:

Pharmagest Group is the French pharmacy information technology leader, with a market share of more than 44% as a provider of software solutions for pharmacies, 28% for ALFs, 45% for HAD programmes, 20% for health care centres and more than 1,000 employees. The Group's strategy is based on a core business of improving healthcare through information technology innovation and developing two priority areas: 1/ Services and technologies for healthcare professionals; and 2/ technologies for improving the efficacy of healthcare systems.

This strategy is executed through specialised business lines developed by Pharmagest Group: : pharmacy IT, e-Health solutions, solutions for health and social care facilities (for ALFs, Home-Based Nursing Services, Hospital-at-Home programmes, senior care service centres, multi-professional and paramedical healthcare providers and hospitals), apps and connected health devices,...

These businesses are grouped within four Divisions: Pharmacy - Europe Solutions; Health and Social Care Facilities Solutions; e-Health Solutions and Fintech.

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The Group is included in the Gaïa-Index 2019 comprised of socially responsible mid caps.
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