

First-half financial information at June 30, 2022
IFRS - Regulated information - Audited

Cegedim: Strong commercial momentum and accelerated investments in the first half of 2022

- Revenue of €267.6 million and like-for-like growth of 6.1%
- Recurring operating income⁽¹⁾ down 39.7% to €6.8 million
- 2022 revenue outlook confirmed, recurring operating income outlook adjusted

Boulogne-Billancourt, France, September 20, 2022, after the market close

Cegedim generated consolidated H1 revenues of €267.6 million in 2022, an increase of 6.5% as reported and 6.1% like for like⁽¹⁾ compared with the same period a year ago, and recurring operating income⁽¹⁾ fell 39.7% to €6.8 million. Recurring operating margin came to 2.5% in H1 2022, compared with 4.5% a year earlier. As a result, the consolidated net profit attributable to the owners of the parent came to a €4.9 million loss compared with a profit of €6.5 million in June 2021.

Laurent Labrune, Deputy Managing Director of Cegedim, said: "Sales rose strongly in the first half of 2022, building on last year's momentum. All of our operating divisions contributed to the growth, with some posting growth in the double digits.

To accelerate its ongoing project development, the Group has added R&D and sales staff. Furthermore, it will be a year before wage increases are passed on to clients, as the vast majority of Group contracts stipulate annual price indexing. The lag time will hamper margins in 2022, most notably at the [Software & Services](#) division. Despite the temporary disruption, the [Flow](#), [Data & marketing](#) and [BPO](#) divisions all posted recurring operating income growth and improved their margins.

Cegedim is in a great position to seize opportunities in its markets and is confident in its outlook for the second half of the year."

Key figures

In millions of euros	H1 2022	H1 2021	% chg.
Revenue	267.6	251.2	+6.5%
Recurring operating income ⁽¹⁾	6.8	11.3	(39.7)%
Consolidated net profit	(6.1)	6.5	n.m.
Net profit attributable to owners of the parent	(4.9)	6.5	n.m.
Free cash flow from operations ⁽¹⁾	(33.0)	+23.4	n.m.
Net financial debt excluding IFRS 16 debt	155.0	165.0	(6.1)%
Shareholders' equity	288.5	232.4	+24.1%

(1) Alternative performance indicator, for a definition and reconciliation of these figures, see point 3.6, note 2 of the 2022 Interim Financial Report.

Revenue trends by division

In millions of euros	H1 2022	H1 2021	% chg.	
			Like for like ⁽²⁾	Reported
Software & services	145.6	140.2	+3.0%	+3.8%
Flow	45.2	41.7	+8.2%	+8.3%
Data & marketing	50.0	44.8	+11.8%	+11.8%
BPO	25.4	22.9	+10.8%	+10.8%
Corporate and others	1.3	1.5	(11.2)%	(11.2)%
Cegedim	267.6	251.2	+6.1%	+6.5%

(2) The positive currency impact of 0.2% was mainly due to the pound sterling. The positive scope effect of 0.2% was attributable to the first-time consolidation at June 30, 2021, of *Kobus Tech* and at June 30, 2022, of *Mesdocteurs*.

Recurring operating income⁽¹⁾ by division

In millions of euros	H1 2022	H1 2021	% chg.
Software & services	(7.6)	2.0	n.m.
Flow	6.3	4.4	+43.8%
Data & marketing	6.1	5.3	+14.9%
BPO	1.0	(1.6)	n.m.
Corporate and others	1.0	1.2	(19.9)%
Cegedim	6.8	11.3	(39.7)%

Analysis of business trends by division

- **Software & Services**

The **Software & Services** division posted like-for-like revenue growth of 3.0% in the first half of 2022. Recurring operating income fell by €9.6 million.

Revenue: All of the division's activities turned in solid performances with the exception of the healthcare professional computerization business in the UK, where revenue declined, as expected.

Recurring operating income⁽¹⁾ was hurt by increased hiring for sales teams assigned to Cegedim Santé's latest offerings and for development teams working on innovations and who do not meet the criteria for capitalized costs.

- **Flow**

The **Flow** division posted like-for-like revenue growth of 8.2% in the first half of 2022. Recurring operating income increased by 43.8%.

Revenue: The process digitalization and digital data flow business experienced strong growth in France. The clear recovery seen in Germany and the UK in the first quarter continued in the second. The healthcare flow business related to healthcare reimbursements in France also grew over the first half.

Recurring operating income⁽¹⁾: Healthcare flow and Cegedim e-business' international activities made the biggest contributions to this growth.

- **Data & Marketing**

The **Data & marketing** division posted like-for-like revenue growth of 11.8% in the first half of 2022. Recurring operating income increased by 14.9%.

Revenue: Data and digital communication solutions for French pharmacies still have good momentum.

Recurring operating income⁽¹⁾: Digital advertising in French pharmacies had a very positive impact on recurring operating income⁽¹⁾.

(1) Alternative performance indicator, for a definition and reconciliation of these figures, see point 3.6, note 2 of the 2022 Interim Financial Report.

- **BPO**

The **BPO** division posted like-for-like revenue growth of 10.8% in the first half of 2022. Recurring operating income⁽¹⁾ rose €2.7 million to a profit of €1.0 million.

Revenue: The business of providing services for insurance companies and mutual insurance providers was stable in the first quarter and posted double-digit growth in the second quarter. Growth in BPO services for HR departments—already in double digits in Q1—ramped up in the second quarter.

Recurring operating income⁽¹⁾: Growing revenues and improving processes helped significantly boost recurring operating income⁽¹⁾, and the division posted a profit, compared with a loss a year ago. The business of managing services for insurance companies and mutual insurance providers, and the business of providing BPO services to HR departments both contributed to the improvement.

- **Corporate and others**

Revenues fell 11.2% to €1.3 million, and recurring operating income⁽¹⁾ was a profit of €1.0 million, down 19.9% compared with a year earlier.

Highlights

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during H1 2022 that would materially alter the Group's financial situation.

- **War in Ukraine**

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

- **Investment and strategic partnership between Cegedim and 3 social protection companies**

On May 16, 2022, Cegedim Group and social protection companies Malakoff Humanis, Groupe VYV, and PRO BTP Groupe announced that they had finalized the strategic partnership they began negotiating on March 1, 2022.

This strategic partnership will advance the goals laid out by the French government in its Ma Santé 2022 plan. The partnership will draw on the recognized expertise of Cegedim, Malakoff Humanis, Groupe VYV, and PRO BTP, who all share the goal of improving patients' access to care and making the course of care as smooth as possible.

To this end, Malakoff Humanis, Groupe VYV, and PRO BTP Groupe—who together represent 25 million beneficiaries in France—subscribed a reserved capital increase of €65 million on May 24, 2022, and now own 18% of the shares of Cegedim Santé. The deal values *Cegedim Santé* at €360.9 million. As part of the deal, Cegedim Santé acquired Groupe VYV subsidiary MesDocteurs, a telehealth solution pioneer and one of the originators of 24/7 telemedicine.

- **Acquisition of Laponi**

On June 21, 2022, Cegedim SRH acquired Laponi, an innovative solution for managing absenteeism in real time. Laponi, a French startup founded in 2016, has successfully developed a digital SaaS platform that lets companies ask internal and external employees to cover shifts when someone is absent. The Laponi solution is easy to use and alerts employees in real time about available assignments. Employees are then free to choose assignments while boosting their income. The acquisition enhances Cegedim SRH's TeamsRH HRIS platform.

An integral part of Cegedim SRH's portfolio, Laponi will be able to help solve absenteeism issues at the company's 400 clients, and its solution will benefit from Cegedim SRH's technical and financial resources as well as its sales force.

Laponi is profitable.

- **Tax**

On February 21, 2018, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1, 2015, to December 31, 2016. After consultation with its lawyers and based on ample precedent, the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision.

 (1) Alternative performance indicator, for a definition and reconciliation of these figures, see point 3.6, note 2 of the 2022 Interim Financial Report.

As part of this process, in the first half of 2022 Cegedim S.A. received a notice of collection and paid a total of €12.1 million in respect of tax losses used through 2020 and a €0.3 million late payment penalty. The corresponding entry for these payments is not the taxes line of the income statement, but rather the deferred tax assets line of the balance sheet, as we expect these sums to be repaid once the dispute has been resolved. Furthermore, the Group continues to record the disputed tax losses as an asset equal to €20 million in deferred tax assets on the balance sheet.

Cegedim faces a maximum risk of €20.5 million at June 30, 2022, as a result of the dispute, of which €12.1 million has already been paid. Cegedim believes that there is little risk with respect to this amount or to the €20 million of deferred tax assets and sees no reason to call their valuation into question.

On October 21, 2021, Cegedim S.A. received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1, 2019, to December 31, 2020. The audit is currently underway.

Significant transactions and events post June 30, 2022

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes after June 30, 2022, that would materially alter the Group's financial situation.

- **Dividend payment**

A dividend of c.€6,830,000 (i.e. €0.5 per share) in respect of fiscal year 2021 was approved at the General Shareholders' Meeting on June 17, 2022, and paid in July 2022.

- **Acquisition of Sedia**

On July 19, 2022, Cegedim e-business rounded out its Hospitalis offering by acquiring Sedia, which has specialized in software that tracks medical instrumentation usage since 1985. Thanks to this acquisition, Hospitalis now offers a medical device and implantable medical device (MD/IMD) tracking service. The service is responsible for 900,000 scans annually and has tracked more than 8 million IMDs. The newest component in the Hospitalis range, Sedia offers health, financial, and logistical tracking of MD/IMDs that are on consignment or have been lent or purchased outright.

Sedia is profitable and will begin contributing to the Group's consolidation scope on August 1, 2022.

- **Acquisition of Clinigrid**

In July 2022, Cegedim acquired a 70% majority stake in Clinigrid, which owns 100% of Cinityx. Clinigrid specializes in innovative data valorization models, and Cinityx has unique expertise in real world data and matching them to the SNDS (the French administrative healthcare database).

Outlook

Cegedim still expects like-for-like revenue growth⁽¹⁾ of c.5% in 2022. Considering current economic conditions and the lag between the increase in prices and in wages on the one hand, and R&D investments and sales force recruitment on the other, the percentage decline in 2022 recurring operating income⁽¹⁾ is not expected to exceed the decline in the first half.

The Group does not expect to make any significant acquisitions in 2022. And lastly, the Group does not provide earnings estimates or forecasts.

The Audit Committee met on September 19, 2022. The Board of Directors, chaired by Jean-Claude Labrune, met on September 20, 2022, and approved the consolidated financial statements at June 30, 2022, of which the statutory auditors have conducted a limited review. The Interim Financial Report is available in French and—in a few days' time—in English, on our website and the Cegedim IR app.

⁽¹⁾ Alternative performance indicator, for a definition and reconciliation of these figures, see point 3.6, note 2 of the 2022 Interim Financial Report.

2022 financial calendar

WEBCAST ON SEPTEMBER 20, 2022, AT 6:15 PM (PARIS TIME)

The webcast is available at: www.cegedim.fr/webcast

The first-half 2022 results presentation is available:

- On the website: <https://www.cegedim.fr/finance/documentation/Pages/presentations.aspx>
- And on the Cegedim IR smartphone app, available at <https://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>

2022

October 27 after the close

Q3 2022 revenues

Disclaimer

This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on September 20, 2022, no earlier than 5:45 pm Paris time.

The figures cited in this press release include guidance on Cegedim's future financial performance targets. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 7, "Risk management", section 7.2, "Risk factors and insurance", and Chapter 3, "Overview of the financial year", section 3.6, "Outlook", of the 2021 Universal Registration Document filled with the AMF on April 1st, 2022, under number D.22-0232.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 5,600 people in more than 10 countries and generated revenue of €525 million in 2021.

Cegedim S.A. is listed in Paris (EURONEXT: CGM).

To learn more, please visit: www.cegedim.com

And follow Cegedim on Twitter@CegedimGroup, LinkedIn and Facebook.

Aude Balleydier
Cegedim
 Media Relations
 and Communications Manager
 Tel.: +33 (0)1 49 09 68 81
aude.balleydier@cegedim.fr

Jan Eryk Umiastowski
Cegedim
 Chief Investment and
 Investor Relations Officer
 Tel.: +33 (0)1 49 09 33 36
janeryk.umiastowski@cegedim.com

Céline Pardo
.Becoming
 Media Relations
 Tel.: +33 (0)6 52 08 13 66
cegedim@becoming-group.com

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Annexes

Revenue

in millions of euros	First half		Change H1 2022 / 2021	
	2022	2021	Reported	Like for like ⁽¹⁾⁽²⁾
Software & services	145.6	140.2	+3.8%	+3.0%
Flow	45.2	41.7	+8.3%	+8.2%
Data & Marketing	50.0	44.8	+11.8%	+11.8%
BPO	25.4	22.9	+10.8%	+10.8%
Corporate and others	1.3	1.5	(11.2)%	(11.2)%
Cegedim	267.6	251.2	+6.5%	+6.1%

(1) At constant scope and exchange rates.

(2) The positive currency impact of 0.2% was mainly due to the pound sterling. The positive scope effect of 0.2% was attributable to the first-time consolidation at June 30, 2021, of *Kobus Tech* and at June 30, 2022, of *Mesdocteurs*.

Consolidated financial statements at June 30, 2022

- Assets at June 30, 2022

In millions of euros	6/30/2022	12/31/2021
Goodwill	189.9	187.1
Development costs	36.0	8.4
Other intangible fixed assets	156.2	171.5
Intangible assets	192.1	179.9
Property	0.5	0.5
Buildings	2.0	2.1
Other property, plant, and equipment	37.1	35.0
Advances and non-current assets in progress	0.0	-
Rights of use	77.2	84.0
Tangible fixed assets	116.8	121.7
Equity investments	0.3	0.3
Loans	15.2	15.2
Other long-term investments	6.0	5.8
Long-term investments – excluding equity shares in equity method companies	21.6	21.3
Equity shares in equity method companies	20.4	21.3
Deferred tax assets	29.8	33.5
Prepaid expenses: long-term portion	0.0	0.1
Non-current assets	570.7	564.9
Goods	7.3	4.5
Advances and deposits received on orders	0.3	0.1
Accounts receivables: short-term portion	153.2	136.3
Other receivables: short-term portion	53.8	48.7
Current tax credits	15.2	2.1
Cash equivalents	0.0	0.0
Cash	39.0	24.2
Prepaid expenses: short-term portion	20.5	16.7
Current assets	289.2	232.7
TOTAL Assets	859.9	797.6

- **Liabilities and equity at June 30, 2022**

<i>In millions of euros</i>	6/30/2022	12/31/2021
Share capital	13.3	13.3
Consolidated retained earnings	270.7	200.7
Group exchange gains/losses	(9.4)	(8.2)
Group earnings	(4.9)	26.2
Shareholders' equity, Group share	269.7	232.1
Minority interest	18.8	0.3
Shareholders' equity	288.5	232.4
Long-term financial liabilities	188.8	186.6
Non-current lease liabilities	63.5	70.3
Long-term financial instruments	-	-
Deferred tax liabilities	8.0	8.3
Retirement benefit commitments	26.0	34.1
Provisions	2.0	2.3
Other non-current liabilities	-	-
Non-current liabilities	288.4	301.5
Short-term financial liabilities	5.2	2.6
Current lease liabilities	16.1	16.1
Short-term financial instruments	-	-
Trade payables and related accounts	46.9	48.2
Current tax liabilities	1.3	1.5
Tax and social security liabilities	98.9	101.0
Provisions	1.9	2.1
Other current liabilities	112.7	92.3
Current liabilities	283.0	263.7
TOTAL Liabilities	859.9	797.6

- Income statement at June 30, 2022

In millions of euros	6/30/2022	6/30/2021
Revenue	267.6	251.2
Purchases used	(13.5)	(13.0)
External expenses	(58.2)	(49.8)
Taxes	(4.7)	(4.3)
Employee costs	(149.4)	(139.4)
Impairment on accounts receivable and other receivables and on contract assets	(0.4)	(0.3)
Allowances to and reversals of provisions	(1.2)	(2.0)
Other operating income and expenses	0.3	0.1
Share of profit (loss) for the period of equity method companies included in Operating Income ⁽²⁾	1.3	0.7
EBITDA⁽¹⁾	41.7	43.1
Depreciation expenses other than right-of-use assets	(26.5)	(23.7)
Depreciation expenses of right-of-use assets	(8.4)	(8.1)
Recurring operating income⁽¹⁾	6.8	11.3
Amortization of goodwill -	0.0	0.0
Non-recurring operating income and expenses ⁽¹⁾	(4.4)	4.1
Other non-recurring operating income and expenses⁽¹⁾	(4.4)	4.1
Operating income	2.5	15.4
Income from cash and cash equivalents	0.0	0.1
Cost of gross financial debt	(4.2)	(4.2)
Other financial income and expenses	(0.3)	(1.4)
Financial result	(4.4)	(5.5)
Income taxes	(2.7)	(3.1)
Deferred income taxes	(0.8)	0.2
Tax	(3.5)	(2.8)
Share of net profit (loss) of equity method companies	(0.7)	(0.6)
Consolidated net profit	(6.1)	6.5
Group share	(4.9)	6.5
Non-controlling interest	(1.3)	0.0
Average number of shares excluding treasury stock	13,683,647	13,798,138
Recurring earnings per share⁽¹⁾ (in euros)	(0.4)	0.4
Earnings per share (in euros)	(0.4)	0.5

⁽¹⁾ Alternative performance indicator, for a definition and reconciliation of these figures, see point 3.6, note 2 of the 2022 Interim Financial Report.

⁽²⁾ Reclassification of income from equity-accounted affiliates.

In millions of euros	6/30/2021 reported	Reclassification of income from equity-accounted affiliates	6/30/2021 for comparison purposes
Share of profit (loss) for the period of equity method companies included in operating income	0.1	0.6	0.7
EBITDA	42.6	0.6	43.1
Recurring operating income	10.7	0.6	11.3
Operating income	14.8	0.6	15.4
Share of profit (loss) for the period of equity method companies	(0.0)	(0.6)	(0.6)

- Cash flow statement as of June 30, 2022

In millions of euros	6/30/2022	6/30/2021
Consolidated profit (loss) for the period	(6.1)	6.5
Share of earnings from equity method companies	(0.7)	(0.1)
Depreciation and amortization expenses and provisions	35.1	32.2
Capital gains or losses on disposals	1.3	0.0
Cash flow after cost of net financial debt and taxes	29.5	38.6
Cost of net financial debt	4.4	5.5
Tax expenses	3.5	2.8
Operating cash flow before cost of net financial debt and taxes	37.4	47.0
Tax paid	(15.9)	0.6
Impact of change in working capital requirements	(18.5)	9.0
Cash flow generated from operating activities after tax paid and change in working capital requirements	3.0	56.6
Acquisitions of intangible assets	(28.0)	(25.3)
Acquisitions of tangible assets	(8.1)	(7.9)
Acquisitions of long-term investments	(1.9)	(1.1)
Disposals of tangible and intangible assets	0.0	0.0
Disposals of long-term investments	0.9	0.8
Change in deposits received or paid	0.1	0.1
Impact of changes in consolidation scope	58.3	(5.1)
Dividends received	1.5	0.1
Net cash flow used in investing activities	22.9	(38.4)
Capital increase		
Dividends paid to shareholders of the parent company		
Dividends paid to minority shareholders of consolidated companies.	0.0	0.0
Debt repayments	0.0	(0.1)
Employee profit sharing	0.3	0.6
Repayment of lease liabilities	(9.8)	(8.7)
Interest paid on loans	(0.1)	(0.1)
Other income	0.1	0.4
Other financial expenses paid	(1.3)	(2.1)
Net cash flow used in financing activities	(10.9)	(10.2)
Change in net cash excluding currency impact	15.0	8.1
Impact of changes in foreign currency exchange rates	(0.1)	0.2
Change in net cash	14.9	8.2
Opening cash	24.2	24.7
Closing cash	39.0	32.9