



CompuGroup Medical

Half-Year Financial Report

1 January - 30 June 2023

Synchronizing Healthcare
We create the future of e-health

1ST HALF-YEAR 2023 AT A GLANCE

Group revenues at mEUR 595, up 15 % compared to prior year

Organic revenue growth at 12 % (prior year: 4 %)

Organic revenue growth driven by Telematics Infrastructure one-time revenues, excluding Telematics Infrastructure organic revenue growth at 5 % (prior year: 5 %)

Adjusted EBITDA at mEUR 133, up 27 % compared to prior year

Adjusted EBITDA margin of 22 % (prior year: 20 %)

Adjusted EPS at 1.07 EUR (prior year: 0.82 EUR)

Free cash flow of mEUR 83 (prior year: mEUR 28)

Financial key figures

| kEUR | Q2 2023 | Q2 2022 | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | Change |
|-------------------------------------|---------|----------|----------|-----------------------|-----------------------|---------|
| Revenues | 304,179 | 265,047 | + 15 % | 595,022 | 516,696 | + 15 % |
| Recurring revenues in % | 66 % | 68 % | - 2 ppt | 67 % | 69 % | - 2 ppt |
| Organic growth in % | 13 % | 3 % | + 10 ppt | 12 % | 4 % | + 8 ppt |
| EBITDA adjusted | 73,144 | 53,594 | + 36 % | 133,093 | 105,110 | + 27 % |
| EBITDA margin adjusted | 24 % | 20 % | + 4 ppt | 22 % | 20 % | + 2 ppt |
| EPS adjusted (EUR) - diluted | 0.62 | 0.40 | + 55 % | 1.07 | 0.82 | + 30 % |
| Free cash flow | 4,031 | - 36,492 | + 111 % | 82,534 | 28,117 | + 194 % |
| Number of shares outstanding ('000) | | | | 52,235 | 52,235 | + 0 % |

NOTICE

CompuGroup Medical has been reporting adjusted key figures for the operating result (EBITDA) and earnings per share since the financial year 2020. These key figures are not defined under International Financial Reporting Standards (IFRS) and should be regarded as supplementary information. Adjusted EBITDA and adjusted earnings per share exclude effects from major acquisition and disposal of subsidiaries, business units and investments (including effects from the subsequent measurement of contingent purchase price liabilities), impairment losses and write-ups on investments, effects from the acquisition, construction and disposal of real estate, impairment losses and write-ups on owner-occupied property, as well as expenses in connection with share-based payment programs for Managing Directors, taxes attributable to the above effects and other non-operating or non-periodic non-recurring effects.

Unless otherwise stated, all information and explanatory notes in this report refer to the second quarter of 2023 and 2022, i.e. the three-month period from April 1 to June 30 (Q2), and all percentage changes refer to the respective year-on-year comparison. Due to rounding, totals and percentages presented in this report may not add up precisely to the totals provided.

EARNINGS DEVELOPMENT IN THE GROUP

| kEUR | Q2 2023 | Q2 2022 | 01.01.-30.06.2023 | 01.01.-30.06.2022 |
|---|---------------|---------------|-------------------|-------------------|
| Revenues | 304,179 | 265,047 | 595,022 | 516,696 |
| Other income | 14,005 | 6,307 | 15,280 | 7,422 |
| Capitalized in-house services | 8,349 | 11,913 | 18,924 | 22,785 |
| Expenses for goods and services purchased | -51,384 | -48,831 | -106,039 | -88,693 |
| Personnel expenses | -146,203 | -137,104 | -281,753 | -270,215 |
| Other expenses | -51,327 | -53,379 | -105,116 | -97,462 |
| EBITDA | 77,619 | 43,953 | 136,318 | 90,533 |
| in % of revenues | 25.5% | 16.6% | 22.9% | 17.5% |
| EBIT | 51,521 | 17,814 | 83,904 | 37,179 |
| in % of revenues | 16.9% | 6.7% | 14.1% | 7.2% |
| EBT | 45,721 | 18,193 | 66,605 | 44,452 |
| in % of revenues | 15.0% | 6.9% | 11.2% | 8.6% |
| Consolidated net income | 31,092 | 12,113 | 45,583 | 30,355 |
| in % of revenues | 10.2% | 4.6% | 7.7% | 5.9% |

Revenue increased by mEUR 78 (+ 15 %) to mEUR 595 for the **first half of 2023**. Organic growth in this period was 12 % year-on-year.

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted group EBITDA) for the first half of 2023 amounted to mEUR 133 (prior year: mEUR 105) with an adjusted EBITDA margin of 22.4 % (prior year: 20.3 %).

Revenue increased by mEUR 39 (+ 15 %) to mEUR 304 for **the second quarter of 2023**. Organic growth in this period was 13 % year-on-year.

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted group EBITDA) for the second quarter of 2023 amounted to mEUR 73 (prior year: mEUR 54) with an adjusted EBITDA margin of 24.0 % (prior year: 20.2 %).

Adjusted group EBITDA was derived from reported EBITDA as shown below:

| kEUR | Q2 2023 | Q2 2022 | 01.01.-30.06.2023 | 01.01.-30.06.2022 |
|--|---------------|---------------|-------------------|-------------------|
| EBITDA reported | 77,619 | 43,953 | 136,318 | 90,533 |
| Adjustments: | | | | |
| M&A transactions | 1,641 | 54 | 2,286 | 1,439 |
| Share-based option programs | -6,941 | -666 | -6,336 | 955 |
| Restructuring program expenses | 0 | 3,401 | 0 | 3,401 |
| Other non-operative, extraordinary or one-time effects | 825 | 6,852 | 825 | 8,782 |
| EBITDA adjusted | 73,144 | 53,594 | 133,093 | 105,110 |
| Adjusted EBITDA margin in % | 24.0% | 20.2% | 22.4% | 20.3% |

The main developments in operating expenses were:

- In the first half of 2023, expenses for goods and services purchased increased from mEUR 89 to mEUR 106 compared to the reference period of last year. The gross margin (revenues less cost of purchased services/revenues) of 82 % is 1 percentage point lower as in the prior year. In the second quarter of 2023, expenses for goods and services purchased increased by mEUR 3 to mEUR 51 compared to prior year. The gross margin increased by 1 percentage point to 83 %.
- The increase in personnel expenses from mEUR 270 in 2022 to mEUR 282 in first half of 2023, of which mEUR 8 are due to acquisitions. The increase in personnel expenses was mainly due to salary increases. In the second quarter, personnel expenses increased by 7 % to mEUR 146 compared to the prior year (mEUR 137). The increase is driven by acquisitions in the amount of mEUR 3 and general wage and salary increases. Adjusted by acquisitions and currency effects personnel expenses increased by 3 %.
- In the first six months of 2023, other expenses including impairment losses on financial assets and contract assets increased from mEUR 97 in 2022 to mEUR 105 in 2023, mainly due to additional expenses for major projects, increased costs of software maintenance and travel expenses. In the second quarter, other expenses including impairment losses on financial assets and contract assets decreased from mEUR 53 to mEUR 51, which was mainly due to lower expenses for outsourcing and contractors.

Other income increased by mEUR 8 for both the first half of 2023, as well as the second quarter compared to the prior year. This is mainly due to the release of provisions related to cash and equity settled share options for Hannes Reichl, as the vesting conditions were not fulfilled.

Depreciation of property, plant and equipment and amortization of rights of use amounted to mEUR 20 in the first half of the year, a slight decrease of mEUR 1 compared to prior year. Amortization of intangible assets was mEUR 33 in the first half of the year, the same level as in the same period last year.

In the second quarter of 2023, depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 10, slightly below the level of the same quarter of prior year (mEUR 11). Amortization of intangible assets increased by mEUR 1 to mEUR 17 in the same period.

Amortization of intangible assets consists of the following:

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 |
|---|---------|---------|-----------------------|-----------------------|
| Amortization of intangible assets | 16,530 | 15,163 | 32,914 | 32,718 |
| thereof from purchase price allocations for business combinations | 10,839 | 11,942 | 21,748 | 23,222 |
| thereof from capitalized software development costs | 3,591 | 2,312 | 7,066 | 4,681 |

The financial result was structured as follows:

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 |
|--|----------------|------------|-----------------------|-----------------------|
| Interest and other expenses on loans and financial services | - 6,777 | - 2,247 | - 12,535 | - 4,497 |
| Changes in purchase price liabilities | - 46 | - 550 | - 121 | - 1,380 |
| Capitalized interest on qualifying assets under construction (IAS 23) | 574 | 298 | 1,129 | 498 |
| Interest income on loans | 66 | 74 | 130 | 157 |
| Interest income on cash at bank | 106 | 41 | 202 | 81 |
| Currency losses / gains | 21 | 58 | - 2,115 | 1,383 |
| Write-down/Write-up of derivatives without hedge accounting relationship | 701 | 3,328 | - 3,600 | 12,023 |
| Other | - 445 | - 623 | - 389 | - 991 |
| TOTAL | - 5,800 | 379 | - 17,299 | 7,274 |

Consolidated net income for the first half-year of 2023 amounted to mEUR 46, mEUR 15 higher than in the prior year period. The Group's tax rate for the first six months was unchanged at 32 % compared to the first half-year of the prior year.

In the second quarter of 2023, consolidated net income amounted to mEUR 31 and was thus mEUR 19 higher than in the prior year period. The Group's tax rate for the second quarter was at 32 % compared to 33 % in the second quarter of the prior year.

Adjusted earnings per share were as follows:

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 |
|--|---------------|---------------|-----------------------|-----------------------|
| Consolidated net income for the period | 31,092 | 12,113 | 45,583 | 30,355 |
| of which: allocated to non-controlling interests | 399 | - 48 | 288 | - 79 |
| Consolidated net income of the period (allocated to shareholders of the parent company) | 31,491 | 12,066 | 45,871 | 30,275 |
| Adjustments: | | | | |
| M&A transactions | 7,850 | 7,111 | 14,742 | 15,027 |
| Share-based option programs | - 6,941 | - 666 | - 6,336 | 955 |
| Restructuring program expenses | 0 | 3,401 | 0 | 3,401 |
| Other non-operative, extraordinary or one-time effects | 224 | 3,326 | 4,425 | - 3,440 |
| Taxes attributable to these effects | - 216 | - 4,305 | - 2,791 | - 3,607 |
| Adjusted consolidated net income for the period (allocated to shareholders of the parent company) | 32,408 | 20,933 | 55,911 | 42,611 |
| Adjusted undiluted earnings per share (in EUR) | 0.62 | 0.40 | 1.07 | 0.82 |
| Adjusted diluted earnings per share (in EUR) | 0.62 | 0.40 | 1.07 | 0.82 |
| weighted average of outstanding shares acc. to IAS 33 - undiluted ('000) | 52,235 | 52,234 | 52,235 | 52,237 |
| weighted average of outstanding shares acc. to IAS 33 - diluted ('000) | 52,298 | 52,234 | 52,280 | 52,237 |

EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS

Ambulatory Information Systems (AIS)

| mEUR | Q2 2023 | Q2 2022* | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022* | Change |
|-----------------------------|---------|----------|---------|-----------------------|------------------------|---------|
| Revenues to third parties | 127.3 | 122.8 | + 4 % | 252.1 | 242.5 | + 4 % |
| Share of recurring revenues | 80 % | 77 % | + 3 ppt | 79 % | 78 % | + 1 ppt |
| EBITDA adjusted | 31.2 | 31.5 | - 1 % | 60.6 | 57.8 | + 5 % |
| in % of revenues | 25 % | 26 % | - 1 ppt | 24 % | 24 % | + 0 ppt |

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure.

- The software business with physicians and dentists achieved revenues of mEUR 252 in **the first six months of 2023**, which represents an increase of 4 % compared to prior year. Adjusted for currency effects and acquisitions, the organic revenues increased by 2 % (prior year: 2 %). Recurring revenues grew by 6 %, increasing the recurring share by 1 percentage point to 79 %. Adjusted EBITDA increased by 5 % to mEUR 61.
- Revenues in **the second quarter 2023** increased to mEUR 127, up 4 % compared to the prior year quarter. Adjusted for acquisition and currency effects, revenues increased organically by 2 % compared to the prior year quarter, in particular due to a good business performance in the United States and the continued rollout of e-billing modules in the German dental sector. Recurring revenues in the AIS segment increased by 7 %. At the same time, adjusted EBITDA decreased by 1 % to mEUR 31.

Hospital Information Systems (HIS)

| mEUR | Q2 2023 | Q2 2022 | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | Change |
|-----------------------------|---------|---------|---------|-----------------------|-----------------------|---------|
| Revenues to third parties | 76.2 | 70.0 | + 9 % | 149.3 | 136.6 | + 9 % |
| Share of recurring revenues | 68 % | 67 % | + 1 ppt | 69 % | 68 % | + 1 ppt |
| EBITDA adjusted | 10.2 | 11.1 | - 8 % | 13.7 | 16.9 | - 19 % |
| in % of revenues | 13 % | 16 % | - 3 ppt | 9 % | 12 % | - 3 ppt |

- **In the first six months of 2023**, revenues of the HIS segment increased by 9 % to mEUR 149. Adjusted for acquisitions and FX effects, organic growth was 10 %, mainly attributable to the continuing strong performance in project business. Recurring revenues increased to mEUR 103, corresponding to 69 % of total revenues. Adjusted EBITDA stood at mEUR 14, down 19 % year-on-year mainly due to investments in major projects and next generation technology.

- **In the second quarter of 2023**, revenues increased by 9 % to mEUR 76. Organically, revenues increased by 10 % compared to the second quarter of last year due to strong project business in Germany, Poland and Switzerland. Recurring revenues increased by 11 % to mEUR 52. Adjusted EBITDA of mEUR 10 was below the prior year due to continued high investments into G3 technology and additional expenses for major projects.

Consumer and Health Management Information Systems (CHS)

| mEUR | Q2 2023 | Q2 2022* | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022* | Change |
|-----------------------------|---------|----------|----------|-----------------------|------------------------|----------|
| Revenues to third parties | 66.7 | 40.6 | + 65 % | 124.6 | 76.0 | + 64 % |
| Share of recurring revenues | 38 % | 45 % | - 7 ppt | 42 % | 46 % | - 4 ppt |
| EBITDA adjusted | 28.6 | 5.0 | + 475 % | 43.1 | 14.2 | + 203 % |
| in % of revenues | 43 % | 12 % | + 31 ppt | 35 % | 19 % | + 16 ppt |

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure.

- **In the first six months of 2023**, the CHS segment generated revenues of mEUR 125. The strong revenue growth of 64% was mainly driven by the software connector upgrade and the replacement of hardware connectors, as well as consolidation effects from the INSIGHT Health acquisition. Excluding Telematics Infrastructure, organic growth was at 3 %. Recurring revenues amounted to mEUR 52 and thereby represented 42 % of the total revenues. Adjusted EBITDA was mEUR 43, up 203 % year-on-year.
- **Revenues in the second quarter** increased by 65 % to mEUR 67 compared to the prior year quarter. The strong growth of 65% was mainly attributable to the Telematics Infrastructure software connector upgrade. Organically and excluding Telematics Infrastructure, revenues increased by 5 % year-on-year. Recurring revenues amounted to mEUR 26 and represent 38 % of total CHS revenues (prior year: 45 %). Adjusted EBITDA amounted to mEUR 29 and was thus mEUR 24 higher than in the prior year.

Pharmacy Information Systems (PCS)

| mEUR | Q2 2023 | Q2 2022 | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | Change |
|-----------------------------|---------|---------|---------|-----------------------|-----------------------|---------|
| Revenues to third parties | 34.0 | 31.6 | + 7 % | 69.0 | 61.6 | + 12 % |
| Share of recurring revenues | 66 % | 65 % | + 1 ppt | 66 % | 67 % | - 1 ppt |
| EBITDA adjusted | 11.2 | 10.2 | + 10 % | 23.2 | 17.8 | + 30 % |
| in % of revenues | 33 % | 32 % | + 1 ppt | 34 % | 29 % | + 5 ppt |

- **In the first six months of 2023**, revenues in PCS segment increased by 12 % to mEUR 69. Organic revenue growth by 8 % which was attributable predominately to the strong business performance in Italy. Recurring revenues in the PCS segment increased by 10 % to mEUR 46 compared to the same period of the prior year. Adjusted EBITDA was mEUR 23, up 30 % on the prior-year period.
- Revenues **in the second quarter** increased to mEUR 34, up 7 % on the prior year, positively influenced by an acquisition in Italy. Organically, the PCS segment achieved growth of 5 %, in particular due to excellent growth in Italy. Recurring revenues increased by 10 % to mEUR 23, representing 66 % of total revenues (prior year: 65 %). Adjusted EBITDA amounted to mEUR 11 and was thus 10 % above the prior year figure.

Other segments and consolidation

| mEUR | Q2 2023 | Q2 2022 | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | Change |
|---------------------------|---------|---------|--------|-----------------------|-----------------------|---------|
| Revenues to third parties | 0.0 | 0.0 | n/a | 0.0 | 0.0 | - 54 % |
| EBITDA adjusted | - 8.0 | - 4.1 | - 95 % | - 7.5 | - 1.7 | - 346 % |

- Adjusted EBITDA in other business activities and consolidation was mEUR 6 lower than in the **first six months** of the prior year. The adjusted special items for first six months of 2023 amounted to mEUR - 6 and were mainly attributable to extraordinary release effects related to stock option programs and management changes.
- Adjusted EBITDA **in the second quarter** was mEUR 4 lower than in the reference period of last year. Adjusted special items amounted to mEUR - 6 in the second quarter and were attributable to exceptional release effects to stock option programs and management changes.

Staff development

| Staff Development | Jun 30, 2023 | Jun 30, 2022 | Dec 31, 2022 |
|---|--------------|--------------|--------------|
| Number of employees (HC) | 9,334 | 9,118 | 9,229 |
| thereof from acquisitions as at time of acquisition | 164 | 180 | 231 |
| Full-time equivalent (FTE)* | 8,954 | 8,734 | 8,833 |

* FTE: Indicates for a number of real jobs with different time models the number of notional full-time jobs with the same work capacity.

The headcount increased by 105 employees compared to end of 2022. 164 employees joined the Group as part of acquisitions. The number of FTEs increased by 121 compared with the end of last year.

NET ASSETS OF THE GROUP

| kEUR | Jun 30, 2023 | | Dec 31, 2022 | | Change | |
|---------------------|------------------|--------------|------------------|--------------|-----------------|--------------|
| Non-current assets | 1,545,512 | 80 % | 1,523,631 | 78 % | + 21,881 | + 1 % |
| Current assets | 381,376 | 20 % | 420,807 | 22 % | - 39,431 | - 9 % |
| Total assets | 1,926,888 | 100 % | 1,944,438 | 100 % | - 17,550 | - 1 % |

| kEUR | Jun 30, 2023 | | Dec 31, 2022 | | Change | |
|--------------------------|------------------|--------------|------------------|--------------|-----------------|--------------|
| Equity | 679,870 | 35 % | 673,823 | 35 % | + 6,047 | + 1 % |
| Non-current liabilities | 834,980 | 43 % | 895,141 | 46 % | - 60,161 | - 7 % |
| Current liabilities | 412,038 | 21 % | 375,474 | 19 % | + 36,564 | + 10 % |
| Total Liabilities | 1,926,888 | 100 % | 1,944,438 | 100 % | - 17,550 | - 1 % |

CGM's total assets decreased by mEUR 18 as of June 30, 2023, which corresponds to a decrease from mEUR 1,944 to mEUR 1,927.

The largest changes in assets were as follows:

- Increase in intangible assets by mEUR 28 to mEUR 1,322 mainly due to acquisitions and the capitalization of software development costs.
- Decrease of cash and cash equivalents by mEUR 32 to mEUR 58, mainly due to repayments of loans.
- Reduction of outstanding trade receivables.

All other assets were subject to minor changes in absolute figures in the first half of 2023.

Group equity increased from mEUR 674 as at December 31, 2022 to mEUR 680 as at June 30, 2023. This increase is mainly due to the consolidated net profit for the period, which more than compensates for negative effects related to the dividend payment and currency translation.

The following significant changes occurred in current and non-current liabilities compared to year-end 2022:

- Decrease in current and non-current liabilities to banks of mEUR 30 to mEUR 699, due to repayments of loans.
- Decrease in trade payables by mEUR 33 to mEUR 80.
- Increase of current and non-current contract liabilities by mEUR 50 to mEUR 133, mainly due to advance payments for software maintenance contracts.

All other current and non-current liabilities were subject to minor changes in absolute figures in the first half of 2023.

FINANCIAL POSITION OF THE GROUP

The liquidity situation and financial position of CGM are shown in the following condensed cash flow statement and key figures on debt:

| kEUR | Q2 2023 | Q2 2022 | Change | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | Change |
|--|----------|----------|----------|-----------------------|-----------------------|-----------|
| Operating cash flow | 18,299 | - 17,275 | + 35,574 | 114,418 | 66,556 | + 47,862 |
| Cash flow from investing activities | - 30,548 | - 69,375 | + 38,827 | - 72,030 | - 92,714 | + 20,684 |
| Cash flow from investing activities w/o acquisitions and disposals of subsidiaries | - 14,268 | - 19,217 | + 4,949 | - 31,884 | - 38,439 | + 6,555 |
| Free cash flow | 4,031 | - 36,492 | + 40,523 | 82,534 | 28,117 | + 54,417 |
| Cash flow from investing activities for acquisitions | - 16,280 | - 50,158 | + 33,878 | - 40,146 | - 54,275 | + 14,129 |
| Cash flow from financing activities | 5,231 | 76,555 | - 71,324 | - 73,427 | 38,853 | - 112,280 |
| Change in cash and cash equivalents | - 7,018 | - 10,095 | + 3,077 | - 31,039 | 12,695 | - 43,734 |
| Changes due to exchange rate fluctuations | - 547 | - 1,201 | + 654 | - 1,434 | 28 | - 1,462 |
| Cash and cash equivalents at the beginning of the period | 65,609 | 131,362 | - 65,753 | 90,517 | 107,343 | - 16,826 |
| Cash and cash equivalents at the end of the period | 58,044 | 120,066 | - 62,022 | 58,044 | 120,066 | - 62,022 |
| Net Debt* | | | | 693,078 | 708,557 | - 15,479 |
| Leverage (LTM)** | | | | 2.66 | 2.99 | - 0.33 |

* Liabilities to banks (incl. leasing liabilities according to IFRS 16) ./ cash and cash equivalents (with the exception of accounts under third-party management)

** Net debt / EBITDA (LTM) adjusted for restructuring program expenses plus pro rata EBITDA of newly acquired companies

At mEUR 83, free cash flow in the first six months was mEUR 54 higher than in the same period last year.

The increase resulted mainly from inflows for the ongoing replacement of hardware connectors and the connector upgrade of the Telematic Infrastructure. Additionally the free cash flow in 2022 was affected by negative one-off effects.

In the second quarter of 2023, free cash flow amounted to mEUR 4 compared to mEUR - 36 in the same period of the prior year.

The derivation of free cash flow is shown below:

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 |
|---|--------------|-----------------|-----------------------|-----------------------|
| Operating cash flow | 18,299 | - 17,275 | 114,418 | 66,556 |
| Cash flow from investing activities | - 30,548 | - 69,375 | - 72,030 | - 92,714 |
| ./ Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in prior periods) | - 5,587 | - 48,033 | - 27,453 | - 51,550 |
| ./ Cash outflow for acquisitions from prior periods | - 10,693 | - 2,125 | - 12,693 | - 2,125 |
| ./ Cash inflow from the disposal of subsidiaries and business units | 0 | 0 | 0 | 0 |
| ./ Cash outflow for capital expenditures in joint ventures and other equity investments | 0 | 0 | 0 | - 600 |
| Free cash flow | 4,031 | - 36,492 | 82,534 | 28,117 |

For the first six months of 2023 the cash flow from investing activities was mEUR - 72 (prior year: mEUR - 93).

Cash flow from investing activities amounted to mEUR - 31 in the second quarter of 2023, compared to mEUR - 69 in the same period in prior year.

The derivation of investments is shown below:

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 |
|---|-----------------|-----------------|-----------------------|-----------------------|
| Company acquisitions | - 5,587 | - 48,033 | - 27,453 | - 51,550 |
| Purchase of minority interest and past acquisitions | - 10,693 | - 2,125 | - 12,693 | - 2,125 |
| Joint ventures and other equity investments | 0 | 0 | 0 | - 600 |
| CAPEX | - 14,268 | - 19,217 | - 31,884 | - 38,439 |
| Capitalized in-house services and other intangible assets | - 10,207 | - 13,806 | - 22,063 | - 25,387 |
| Office buildings and property | - 212 | - 1,371 | - 527 | - 2,323 |
| Other property and equipment | - 3,849 | - 4,040 | - 9,294 | - 10,729 |
| Total | - 30,548 | - 69,375 | - 72,030 | - 92,714 |

In the first half of 2023, financing activities generated cash outflows of mEUR - 73 (prior year: mEUR 39).

Cash flow from financing activities amounted to mEUR 5 in the second quarter of 2023 (prior year: mEUR 77). The cash flow from financing activities was influenced by the exercise of a call option for the acquisition of further 20 % of the shares in 4K S.r.l.

As of June 30, 2023, cash and cash equivalents amounted to MEUR 58 (prior year: mEUR 120). The reported cash and cash equivalents also include restricted cash.

Net debt as at June 30, 2023 was mEUR 693, mEUR 3 lower than the net debt of mEUR 696 as at December 31, 2022. Leverage was 2.66 (December 31, 2022: 3.12) and thus met the requirements of the existing credit agreement.

GUIDANCE

The guidance for the **financial year 2023** remains **unchanged**.

Group

For 2023, CompuGroup Medical SE & Co. KGaA continues to expect:

- An organic revenue growth (adjusted for acquisitions and currency effects) of approximately 5 %
- The share of recurring revenues in total revenues is expected to be between 60 % and 70 %.
- Adjusted EBITDA is expected to range between mEUR 260 and mEUR 300.
- Adjusted earnings per share (diluted) are expected to increase by at least 10 %.
- Free cash flow is expected to be at least mEUR 100.

Segments

The following unchanged performance is expected for the reporting segments in financial year 2023:

- In the AIS segment, organic revenue growth is expected in the mid-single digit percentage range.
- The HIS segment is expected to generate organic revenue growth in the mid to high single digit percentage range.
- In the CHS segment, organic revenue growth is expected in the low to mid-single digit percentage range.
- The PCS segment is expected to generate organic revenue growth in the lower single digit percentage range.

The above guidance for the current financial year does not take into account any effects from company acquisitions not yet completed or potential transactions to be carried out in the course of financial year 2023. The guidance is based on the management's best estimate of future market conditions and the development of the business segments of CompuGroup Medical in this environment; it may be influenced by delays or changes in the implementation of the Telematics Infrastructure that are beyond the control of the company. Moreover, uncertainty remains with regard to the further impact of the global economic environment and the Russia-Ukraine war. The guidance may also be influenced by foreign exchange effects (especially changes in the USD/EUR conversion rate).

Interim Statement of Financial Position

as of June 30, 2023

Assets

| kEUR | Jun 30, 2023 | Jun 30, 2022 | Dec 31, 2022 |
|---|------------------|------------------|------------------|
| Non-current assets | | | |
| Intangible assets | 1,321,651 | 1,299,797 | 1,293,910 |
| Property, plant and equipment | 108,945 | 104,161 | 107,478 |
| Right-of-use assets | 50,737 | 57,422 | 53,411 |
| Investments in associates and joint ventures (valued at-equity) | 7,299 | 3,013 | 7,300 |
| Other investments | 3,163 | 3,125 | 3,158 |
| Finance lease receivables | 14,566 | 16,931 | 15,984 |
| Other financial assets* | 2,394 | 9,432 | 2,111 |
| Derivative financial instruments* | 33,052 | 18,617 | 36,560 |
| Other non-financial assets | 1,200 | 1,200 | 1,200 |
| Deferred taxes | 2,505 | 5,447 | 2,519 |
| | 1,545,512 | 1,519,145 | 1,523,631 |
| Current assets | | | |
| Inventories | 22,086 | 29,375 | 29,438 |
| Trade receivables | 175,283 | 153,496 | 189,439 |
| Finance lease receivables | 8,393 | 9,129 | 9,152 |
| Contract assets | 27,463 | 27,584 | 23,282 |
| Other financial assets | 6,436 | 5,689 | 2,842 |
| Derivative financial instruments | 61 | 0 | 574 |
| Other non-financial assets | 40,355 | 34,250 | 27,003 |
| Income tax receivables | 43,255 | 31,498 | 48,560 |
| Cash & cash equivalents | 58,044 | 120,066 | 90,517 |
| | 381,376 | 411,087 | 420,807 |
| | 1,926,888 | 1,930,232 | 1,944,438 |

* Reporting of derivative financial instruments previously under other financial assets.

Interim Statement of Financial Position

as of June 30, 2023

Shareholder's Equity and Liabilities

| kEUR | Jun 30, 2023 | Jun 30, 2022 | Dec 31, 2022 |
|---|------------------|------------------|------------------|
| Equity | | | |
| Subscribed capital | 53,735 | 53,735 | 53,735 |
| Treasury shares | - 105,205 | - 105,205 | - 105,205 |
| Reserves | 728,452 | 676,484 | 723,890 |
| Capital and reserves allocated to the shareholders of the parent company | 676,982 | 625,014 | 672,420 |
| Non-controlling interests | 2,888 | 949 | 1,403 |
| | 679,870 | 625,963 | 673,823 |
| Non-current liabilities | | | |
| Provisions for post-employment benefits and other non-current provisions | 33,095 | 41,441 | 32,656 |
| Liabilities to banks | 629,644 | 629,505 | 699,371 |
| Contract liabilities | 14,640 | 8,243 | 15,529 |
| Purchase price liabilities | 11,747 | 7,609 | 5,539 |
| Lease liabilities | 34,620 | 37,805 | 33,741 |
| Other financial liabilities | 101 | 2,399 | 53 |
| Other non-financial liabilities | 45 | 40 | 42 |
| Deferred taxes | 111,088 | 102,876 | 108,210 |
| | 834,980 | 829,918 | 895,141 |
| Current liabilities | | | |
| Liabilities to banks | 69,035 | 134,347 | 29,104 |
| Contract liabilities | 117,977 | 124,789 | 66,898 |
| Purchase price liabilities | 8,799 | 18,355 | 16,046 |
| Trade payables | 79,734 | 80,792 | 112,613 |
| Income tax liabilities | 29,450 | 10,687 | 32,316 |
| Other provisions | 54,049 | 49,166 | 60,920 |
| Derivative financial instruments | 914 | 287 | 901 |
| Lease liabilities | 15,465 | 20,043 | 19,603 |
| Other financial liabilities | 7,764 | 11,249 | 8,478 |
| Other non-financial liabilities | 28,851 | 24,636 | 28,595 |
| | 412,038 | 474,351 | 375,474 |
| | 1,926,888 | 1,930,232 | 1,944,438 |

Interim Income Statement

for the reporting period of January 1 - June 30, 2023

| | Q2 2023 | Q2 2022 | 01.01.-30.06.2023 | 01.01.-30.06.2022 | 2022 |
|--|---------------|---------------|-------------------|-------------------|----------------|
| Revenues | 304,179 | 265,047 | 595,022 | 516,696 | 1,129,739 |
| Capitalized inhouse services | 8,349 | 11,913 | 18,924 | 22,785 | 44,819 |
| Other income | 14,005 | 6,307 | 15,280 | 7,422 | 19,396 |
| Expenses for goods and services purchased | -51,384 | -48,831 | -106,039 | -88,693 | -216,397 |
| Personnel expenses | -146,203 | -137,104 | -281,753 | -270,215 | -546,704 |
| Net impairment losses on financial and contract assets | -458 | -56 | -3,705 | -326 | -4,961 |
| Other expenses | -50,869 | -53,324 | -101,411 | -97,136 | -209,541 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 77,619 | 43,953 | 136,318 | 90,533 | 216,351 |
| Depreciation of property, plant and equipment and right-of-use assets | -9,568 | -10,976 | -19,500 | -20,636 | -42,770 |
| Earnings before interest, taxes and amortization (EBITA) | 68,051 | 32,976 | 116,818 | 69,897 | 173,581 |
| Amortization of intangible assets | -16,530 | -15,163 | -32,914 | -32,718 | -69,551 |
| thereof from purchase price allocations | -10,839 | -11,942 | -21,748 | -23,222 | -45,882 |
| Earnings before interest and taxes (EBIT) | 51,521 | 17,814 | 83,904 | 37,179 | 104,030 |
| Result from companies accounted for using the equity method | 0 | 0 | 0 | 0 | -99 |
| Financial income | 244 | 3,709 | 496 | 13,859 | 22,719 |
| Financial expenses | -6,044 | -3,330 | -17,795 | -6,585 | -14,584 |
| Net impairment losses on financial assets* | 0 | 0 | 0 | 0 | -5,250 |
| Earnings before taxes (EBT) | 45,721 | 18,193 | 66,605 | 44,452 | 106,816 |
| Income taxes for the period | -14,629 | -6,079 | -21,022 | -14,098 | -32,699 |
| Consolidated net income for the period | 31,092 | 12,113 | 45,583 | 30,355 | 74,117 |
| of which: allocated to shareholders of the parent company | 31,491 | 12,066 | 45,871 | 30,275 | 73,411 |
| of which: allocated to non-controlling interests | -399 | 48 | -288 | 79 | 706 |
| Earnings per share | | | | | |
| undiluted (EUR) | 0.60 | 0.23 | 0.88 | 0.58 | 1.41 |
| diluted (EUR) | 0.60 | 0.23 | 0.88 | 0.58 | 1.40 |

* Reporting of net impairment losses on financial assets previously under financial expenses.

Interim Statement of Comprehensive Income

for the reporting period of January 1 - June 30, 2023

| KEUR | Q2 2023 | Q2 2022 | 01.01.-30.06.2023 | 01.01.-30.06.2022 | 2022 |
|--|---------------|---------------|-------------------|-------------------|---------------|
| Consolidated net income for the period | 31,092 | 12,113 | 45,583 | 30,355 | 74,117 |
| Items that will not be reclassified to profit or loss: | | | | | |
| Actuarial gains and losses arising from post-employment benefits | 0 | 0 | 0 | 0 | 4,577 |
| Change in actuarial gains and losses | 0 | 0 | 0 | 0 | 6,616 |
| Deferred income taxes for the period | 0 | 0 | 0 | 0 | - 2,039 |
| Items that may be reclassified to profit or loss: | | | | | |
| Cashflow hedges | 1,154 | - 66 | - 856 | - 66 | 7,537 |
| Changes in equity | 1,649 | - 95 | - 1,223 | - 95 | 10,767 |
| Deferred income taxes for the period | - 495 | 29 | 367 | 29 | - 3,230 |
| Currency conversion differences | - 2,025 | 13,717 | - 8,816 | 18,715 | 9,449 |
| Changes in equity | - 2,025 | 13,717 | - 8,816 | 18,715 | 9,449 |
| Operating income and expense recognized directly in equity (Other comprehensive income) | - 871 | 13,651 | - 9,672 | 18,649 | 21,563 |
| Total comprehensive income | 30,221 | 25,764 | 35,911 | 49,004 | 95,680 |
| of which: allocated to shareholders of the parent company | 30,620 | 25,717 | 36,199 | 48,925 | 94,974 |
| of which: allocated to non-controlling interests | - 399 | 47 | - 288 | 79 | 706 |

Cash Flow Statement

as of June 30, 2023

| kEUR | Q2 2023 | Q2 2022 | 01.01.- 30.06.2023 | 01.01.- 30.06.2022 | 2022 |
|--|----------------|----------------|-----------------------|-----------------------|-----------------|
| Consolidated net income for the period | 31,092 | 12,113 | 45,583 | 30,355 | 74,117 |
| Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets | 26,098 | 26,138 | 52,414 | 53,354 | 112,321 |
| Earnings on sale of fixed assets | -1 | -87 | 48 | -144 | -163 |
| Change in provisions (including income tax liabilities) | -3,862 | -9,556 | -8,870 | -11,025 | 15,882 |
| Change in derivative financial instruments* | -1,002 | -3,422 | 2,872 | -18,612 | -18,871 |
| Deferred tax income/expense | 18 | -109 | -14 | 3,092 | 352 |
| Other non-cash earnings/ expenditures | -1,481 | -10,855 | -1,151 | -12,067 | 4,561 |
| | 50,862 | 14,222 | 90,882 | 44,953 | 188,199 |
| Change in inventories | 1,845 | -6,371 | 7,349 | -8,720 | -8,788 |
| Change in trade receivables and other receivables | 9,597 | 32,707 | 12,244 | 3,044 | -28,761 |
| Change in income tax receivables | 2,261 | -1,722 | 5,318 | -757 | -17,819 |
| Change in other receivables | -5,493 | 911 | -16,101 | 1,027 | 8,419 |
| Change in trade payables | -2,590 | -18,095 | -37,003 | -15,936 | 15,565 |
| Change in contract liabilities | -38,123 | -29,299 | 50,550 | 44,677 | -10,377 |
| Change in other liabilities | -60 | -9,628 | 1,179 | -1,732 | -1,411 |
| Operating cash flow | 18,299 | -17,275 | 114,418 | 66,556 | 145,027 |
| Cash outflow for capital expenditure for intangible assets | -10,207 | -13,806 | -22,063 | -25,387 | -50,560 |
| Cash inflow from disposals of property, plant and equipment | 73 | 230 | 244 | 293 | 349 |
| Cash outflow for capital expenditure for property, plant and equipment | -4,134 | -5,641 | -10,065 | -13,345 | -25,847 |
| Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in prior periods) | -5,587 | -48,033 | -27,453 | -51,550 | -57,881 |
| Cash outflow for acquisitions from prior periods | -10,693 | -2,125 | -12,693 | -2,125 | -6,887 |
| Cash inflow from the disposal of subsidiaries and business units | 0 | 0 | 0 | 0 | 43 |
| Cash outflow for capital expenditures for joint ventures and other equity investments | 0 | 0 | 0 | -600 | -4,631 |
| Cash flow from investing activities | -30,548 | -69,375 | -72,030 | -92,714 | -145,414 |
| Buyback of treasury shares | 0 | 0 | 0 | -9,109 | -9,109 |
| Dividend paid | -26,117 | -26,117 | -26,117 | -26,117 | -26,117 |
| Capital paid to non-controlling interests | 0 | 0 | 0 | 0 | -175 |
| Acquisition of additional shares from non-controlling interests | -4,375 | 0 | -4,375 | -17 | -17 |
| Downpayment of lease liabilities | -6,035 | -5,779 | -12,297 | -11,405 | -25,530 |
| Cash inflow from borrowing of loans | 44,002 | 175,992 | 44,002 | 346,447 | 340,000 |
| Cash outflow from the repayment of loans | -2,244 | -67,541 | -74,640 | -260,946 | -295,411 |
| Cash flow from financing activities | 5,231 | 76,555 | -73,427 | 38,853 | -16,359 |
| Cash and cash equivalents at the beginning of the period | 65,609 | 131,362 | 90,517 | 107,343 | 107,343 |
| Change in cash and cash equivalents | -7,018 | -10,095 | -31,039 | 12,695 | -16,746 |
| Changes due to exchange rate fluctuations | -547 | -1,201 | -1,434 | 28 | -80 |
| Cash and cash equivalents at the end of the period | 58,044 | 120,066 | 58,044 | 120,066 | 90,517 |
| Interest paid | 6,444 | 880 | 13,477 | 2,972 | 6,157 |
| Interest received | 212 | 154 | 323 | 324 | 687 |
| Income taxes paid | 1,459 | 14,922 | 11,960 | 25,191 | 39,034 |

* Change in derivative financial instruments previously reported under changes in other receivables

Changes in consolidated equity

as of June 30, 2023

| kEUR | Subscribed capital | Treasury shares | Reserves | | | Equity attributable to shareholders of CompuGroup Medical SE & Co. KGaA | Non-controlling interest | Consolidated equity |
|--|--------------------|-----------------|----------------|-----------------|----------------------|---|--------------------------|---------------------|
| | | | Other | Cashflow Hedges | Currency translation | | | |
| Balance as at Jan 1, 2022 | 53,735 | -98,796 | 664,479 | 0 | -7,344 | 612,074 | 210 | 612,284 |
| Consolidated net income for the period | 0 | 0 | 30,276 | 0 | 0 | 30,276 | 79 | 30,355 |
| Other comprehensive income | 0 | 0 | 0 | -66 | 18,715 | 18,649 | 0 | 18,649 |
| Derivative hedging instruments (effective) | 0 | 0 | 0 | -66 | 0 | -66 | 0 | -66 |
| Currency conversion differences | 0 | 0 | 0 | 0 | 18,715 | 18,715 | 0 | 18,715 |
| Total comprehensive income | 0 | 0 | 30,276 | -66 | 18,715 | 48,925 | 79 | 49,004 |
| Transactions with shareholders | 0 | -6,409 | -29,575 | 0 | 0 | -35,984 | 660 | -35,324 |
| Dividend distribution | 0 | 0 | -26,117 | 0 | 0 | -26,117 | 0 | -26,117 |
| Stock option program | 0 | 0 | -3,367 | 0 | 0 | -3,367 | 0 | -3,367 |
| Non-controlling interests from acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 586 | 586 |
| Additional purchase of shares from non-controlling interests after control | 0 | 0 | -91 | 0 | 0 | -91 | 74 | -17 |
| Buyback of treasury shares | 0 | -6,409 | 0 | 0 | 0 | -6,409 | 0 | -6,409 |
| Balance as at Jun 30, 2022 | 53,735 | -105,205 | 665,180 | -66 | 11,370 | 625,014 | 949 | 625,963 |
| Balance as at Jan 1, 2023 | 53,735 | -105,205 | 714,248 | 7,537 | 2,105 | 672,420 | 1,403 | 673,823 |
| Consolidated net income for the period | 0 | 0 | 45,871 | 0 | 0 | 45,871 | -288 | 45,583 |
| Other comprehensive income | 0 | 0 | 0 | -856 | -8,816 | -9,672 | 0 | -9,672 |
| Derivative hedging instruments (effective) | 0 | 0 | 0 | -856 | 0 | -856 | 0 | -856 |
| Actuarial gains and losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Currency conversion differences | 0 | 0 | 0 | 0 | -8,816 | -8,816 | 0 | -8,816 |
| Total comprehensive income | 0 | 0 | 45,871 | -856 | -8,816 | 36,199 | -288 | 35,911 |
| Transactions with shareholders | 0 | 0 | -31,637 | 0 | 0 | -31,637 | 1,773 | -29,864 |
| Dividend distribution | 0 | 0 | -26,117 | 0 | 0 | -26,117 | 0 | -26,117 |
| Stock option program | 0 | 0 | -1,699 | 0 | 0 | -1,699 | 0 | -1,699 |
| Non-controlling interests from acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 2,327 | 2,327 |
| Additional purchase of shares from non-controlling interests after control | 0 | 0 | -3,821 | 0 | 0 | -3,821 | -554 | -4,375 |
| Buyback of treasury shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at Jun 30, 2023 | 53,735 | -105,205 | 728,482 | 6,681 | -6,711 | 676,982 | 2,888 | 679,870 |

EXPLANATORY NOTES

A. Key accounting principles and measurement methods

A.1 Principles for the preparation of the consolidated financial statements

This condensed half-year financial report is a consolidated financial statement as of June 30, 2023. Unless otherwise specified, all amounts are provided in thousands of euros (kEUR) or millions of euros (mEUR). Due to rounding, totals and percentages presented in this report may not add up precisely to the totals provided.

The half-year financial report as of June 30, 2023, has been prepared like the consolidated financial statements as of December 31, 2022, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. In accordance with IAS 34, a condensed scope of reporting has been chosen for the presentation of the half-year financial report as of June 30, 2023, compared to the annual financial statements.

Apart from the standards to be applied for the first time and the revised standards described below, the same accounting principles were applied throughout the group in the half-year financial report as in the consolidated financial statements as of December 31, 2022. For further information, please refer to the consolidated financial statements as of December 31, 2022. These interim financial statements and interim management report have not been audited or reviewed by a statutory auditor.

The following table provides information about the relevant exchange rates of the (essential) currencies used within the condensed half-year financial report:

| | Closing rates | | Average rates | |
|-----------------------|---------------|---------------|-------------------|-------------------|
| | June 30, 2023 | June 30, 2022 | 01.01.-30.06.2023 | 01.01.-30.06.2022 |
| 1 Euro corresponds to | | | | |
| Switzerland (CHF) | 0.98 | 1.00 | 0.99 | 1.03 |
| Czech Republic (CZK) | 23.74 | 24.74 | 23.69 | 24.65 |
| Denmark (DKK) | 7.45 | 7.44 | 7.45 | 7.44 |
| Great Britain (GBP) | 0.86 | 0.86 | 0.88 | 0.84 |
| India (INR) | 89.21 | 82.11 | 88.84 | 83.32 |
| Norway (NOK) | 11.70 | 10.35 | 11.32 | 9.98 |
| Poland (PLN) | 4.44 | 4.69 | 4.62 | 4.64 |
| Romania (RON) | 4.96 | 4.95 | 4.93 | 4.95 |
| Sweden (SEK) | 11.81 | 10.73 | 11.33 | 10.48 |
| Turkey (TRY) | 28.32 | 17.32 | 21.57 | 16.26 |
| USA (USD) | 1.09 | 1.04 | 1.08 | 1.09 |
| South Africa (ZAR) | 20.58 | 17.01 | 19.68 | 16.85 |

EXPLANATORY NOTES

Unless otherwise stated, all information and explanatory notes in this report refer to the second quarter of 2023 and 2022, i.e. the three month period from April 1 to June 30 (Q2), and all percentage changes refer to the respective year-on-year comparison. There are no significant cyclical fluctuations in the course of business. In the second half of the year, the business volume of CompuGroup Medical SE & Co. KGaA normally tends to be higher than in the first half of the year.

In preparing the half-year financial report, management has made estimates and assumptions in the application of accounting policies that may affect the reported amounts of assets and liabilities as well as income and expenses. Although these assumptions and estimates have been made to the best of the managing directors' knowledge, actual results may differ from these estimates.

The estimates and assumptions used for preparing the consolidated half-year financial report are the same as those used for the preparation of the consolidated financial statements as at year-end December 31, 2022, except for new standards to be applied in the current financial year. Furthermore, assumptions have been made for the current financial year 2023 in the determination of the personnel expenses, the provisions for post-employment benefits and anniversaries and for the tax accruals of the current financial year.

A.2 New and amended standards, applicable to financial year 2023

CompuGroup Medical SE & Co. KGaA has implemented all financial reporting standards adopted by the EU that are to be applied from January 1, 2023.

| Standard (published on) | Content | Effective for financial years beginning on or after (EU) |
|---|---|--|
| Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (December 9, 2021) | The amendment contains an option for the first-time application of IFRS 17 with regard to comparative information in order to avoid temporary mismatches in the recognition of financial assets and liabilities from insurance contracts. | January 1, 2023 |
| Amendments to IAS 12 Income Taxes: Deferred Tax related from a Single Transaction (May 7, 2021) | The main amendment for deferred tax relating to assets and liabilities arising from a single transaction is an additional backstop regarding IAS 12.15(b) and IAS 12.24. The amendment clarifies how entities account for deferred tax on transactions such as leases and retirement obligations. | January 1, 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 (February 12, 2021) | The amendments address the disclosure of significant accounting principles and measurement methods and the application of the materiality concept. | January 1, 2023 |
| Amendments to IAS 8 (February 12, 2021) | The amendments clarify how entities should distinguish changes in accounting principles and measurement methods from changes in accounting estimates. | January 1, 2023 |
| IFRS 17 (May 18, 2017), including amendments to IFRS 17 (June 25, 2020) | This standard creates a uniform international accounting standard for the insurance business. Its objective is to enhance the transparency and comparability of accounting by insurance companies. | January 1, 2023 |

EXPLANATORY NOTES

In all other respects, the same accounting policies and consolidation methods have been applied in preparing the half-year financial report and calculating the comparative figures for the prior year as in the 2022 consolidated financial statements.

A.3 Standards, interpretations and amendments to published standards to be applied at a later date which have already been adopted into European law ("endorsement")

At the time of preparation of the half-year financial report, no standards, interpretations or amendments to published standards that are to be applied at a later date had been adopted into European law.

A.4 Standard, interpretations and amendments to published standards to be applied at a later date which have been published by IASB, but not yet adopted into European law

IASB and IFRIC have adopted further standards and interpretations that are not yet mandatory in the EU as at January 1, 2023. The application of these IFRS and IFRIC is still subject to endorsement by the EU.

| Standard (published on) | Content | Effective for financial years beginning on or after (EU) |
|---|---|--|
| Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (September 22, 2022) | The amendments clarify how a seller-lessee makes subsequent measurements of sale and leaseback transactions that are accounted for as a sale in accordance with IFRS 15. | January 1, 2024 |
| Amendments to IAS 1 Presentation of Financial Statements (January 23, 2020, July 15, 2020 and October 31, 2022) | The amendments for the classification of liabilities as current or non-current only affect the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of assets, liabilities, income or expenses. The IASB has decided to amend IAS 1 with respect to the classification (as current or non-current), presentation and disclosure of liabilities for which an entity's right to defer settlement for at least twelve months is conditional on the entity meeting certain conditions after the reporting period. | January 1, 2024 |
| Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments (May 25, 2023) | The amendments to IAS 7 and IFRS 7 concern the disclosure requirements relating to the terms and conditions of supplier finance arrangements and what information must be further disclosed about reverse factoring arrangements. | January 1, 2024 |
| Amendments to IAS 12 Income taxes (May 23, 2023) | The amendments to IAS 12 relating to the international tax reform - Pillar Two - regulate the mandatory exemption of deferred tax accounting from the global minimum taxation. | January 1, 2023 |

Early application of individual standards is permitted. CompuGroup Medical SE & Co. KGaA does not use the early application option. CompuGroup Medical SE & Co. KGaA constantly examines the effects of the first-time application of these standards and amendments.

It is not currently assumed that the adoption of the other standards, amendments and interpretations will have any significant impact on the consolidated half-year financial statements.

B. SELECTED EXPLANATORY NOTES

B.1 Changes in the business and the economic environment

In comparison to the financial year 2022, the first six months of 2023, showed no significant changes to the business and the economic environment of CompuGroup Medical SE & Co. KGaA, with the exception of the factors described in the interim management report. .

B.2 Scope of consolidation

The IFRS half-year financial statement as of June 30, 2023 includes the financial statements of CompuGroup Medical SE & Co. KGaA and the companies controlled by the company (subsidiaries) as of June 30, 2023. The consolidation begins on the date on which the possibility of control exists and ends when the possibility of control no longer exists. Compared with December 31, 2022, the scope of consolidation has changed as follows:

| | Germany | Foreign countries | Total |
|-----------------------|---------|-------------------|-------|
| As at January 1, 2023 | 26 | 67 | 93 |
| Additions | 2 | 1 | 3 |
| Disposals / Merger | 0 | 0 | 0 |
| As at June 30, 2023 | 28 | 68 | 96 |

The additions result from CGM's acquisition in 2023 of the GHG Services GmbH and the m.Doc GmbH in Germany. In addition, there is the foreign acquisition of the m.Doc AG in Switzerland.

Together with other business combinations that had no impact on the consolidation group, the additions from company acquisitions shown in the table below use the values as at the acquisition date and their effects on the consolidated financial statements.

EXPLANATORY NOTES

B.3 Company acquisitions and disposals

| kEUR | Total | GHG business | m.Doc group | Other additions |
|--|----------------|-------------------|---------------|-----------------|
| Acquisition date | | 01.01.2023 | 24.04.2023 | |
| Shares acquired in % | | 100% / Asset Deal | 51% | |
| Assets acquired and liabilities assumed that were recognized as at the acquisition date | | | | |
| Non-current assets | 17,298 | 6,313 | 10,985 | 0 |
| Standard and special software | 9,635 | 5,914 | 3,721 | 0 |
| Customer relationships | 6,380 | 0 | 6,380 | 0 |
| Trademark rights | 956 | 396 | 560 | 0 |
| Other equipment, plant and office equipment | 229 | 3 | 226 | 0 |
| Other non-current financial assets | 98 | 0 | 98 | 0 |
| Current assets | 10,899 | 123 | 10,776 | 0 |
| Trade receivables | 856 | 50 | 806 | 0 |
| Other current financial assets | 9,651 | 1 | 9,650 | 0 |
| Other current non-financial assets | 318 | 1 | 317 | 0 |
| Income tax receivables | 13 | 13 | 0 | 0 |
| Cash and cash equivalents | 61 | 58 | 3 | 0 |
| Non-current liabilities | 12,823 | 625 | 12,198 | 0 |
| Other financial liabilities | 9,000 | 0 | 9,000 | 0 |
| Deferred tax liabilities | 3,823 | 625 | 3,198 | 0 |
| Current liabilities | 4,911 | 100 | 4,811 | 0 |
| Trade payables | 4,215 | 89 | 4,126 | 0 |
| Other provisions | -126 | 4 | -130 | 0 |
| Other financial liabilities | 815 | 0 | 815 | 0 |
| Other non-financial liabilities | 7 | 7 | 0 | 0 |
| Net assets acquired | 10,463 | 5,711 | 4,752 | 0 |
| Purchase price paid in cash | 27,590 | 22,000 | 5,590 | 0 |
| Liabilities assumed (receivable for purchase price reimbursement) | 11,300 | 6,300 | 5,000 | 0 |
| of which contingent consideration | 11,300 | 6,300 | 5,000 | 0 |
| Total consideration transferred | 38,890 | 28,300 | 10,590 | 0 |
| Non-controlling interests | 2,327 | 0 | 2,327 | 0 |
| Goodwill | 30,754 | 22,589 | 8,165 | 0 |
| Acquired cash and cash equivalents | 61 | 58 | 3 | 0 |
| Purchase price paid in cash | 27,590 | 22,000 | 5,590 | 0 |
| Payments for acquisitions from prior periods | 12,694 | 0 | 0 | 12,694 |
| Cash outflow for acquisitions (net) | -40,223 | -21,942 | -5,587 | -12,694 |
| Effects of the acquisition on CGM's results | | | | |
| Sales revenues included in the consolidated statement of comprehensive income since acquisition date | 1,960 | 0 | 1,960 | 0 |
| Result included in the consolidated statement of comprehensive income since acquisition date | -2,711 | -2,268 | -443 | 0 |
| Sales revenue for the financial year (notional acquisition date January 1) | 3,404 | 0 | 3,404 | 0 |
| Result for the financial year (notional acquisition date January 1) | -5,182 | -2,268 | -2,914 | 0 |

Acquisition of the GHG business, Germany

Effective January 2, 2023, CompuGroup Medical Deutschland AG, a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA acquired the GHG business operations, a related company of Prof. Dr. Daniel Gotthardt (100 % of the shares in GHG Services GmbH and the GHG business units "GHG Praxisdienst" and "GHG medical brain"; hereinafter referred to as GHG) domiciled in Heidelberg, Germany.

GHG offers electronic health applications that improve the quality of life of patients and help doctors provide the best possible treatment with the aid of digital solutions.

GHG was consolidated for the first time as at January 1, 2023. The fixed component of the purchase price amounted to kEUR 22,000 and was paid out in full as at the reporting date. Additionally, there are several variable purchase price components, which are calculated on the basis of fixed defined revenues for the following years. The total value of the earn-out agreements is approximately kEUR 6,300 and has a term of five years.

The current assessment reports preliminary goodwill of kEUR 22,568, which is mainly attributable to the expansion of the distribution network for the CHS segment in Germany as well as to the expertise of the employees. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 6,310 and relates to technologies and trademark rights. For receivables acquired as part of the acquisition, the fair value is the carrying amount assumed as at the acquisition date based on the expected term of the receivables and the best estimate of the addition of contractual cash flows. An initial analysis of the financial information available identified no uncollectable receivables.

No contingent liabilities or contingent assets have been identified to date.

The measurement of the GHG acquisition was performed provisionally, as the measurement of the acquired software and trademark rights is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of m.Doc group, Germany and Switzerland

As at April 24, 2023, CompuGroup Medical Deutschland AG, a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA acquired 51 % of the shares in m.Doc GmbH, domiciled in Cologne, which holds 100 % of the shares in m.Doc AG, domiciled in Zug, Switzerland (hereinafter referred to as m.Doc).

m.Doc develops patient portals and digital applications for hospitals, rehabilitation and care facilities.

m.Doc was consolidated for the first time as at May 1, 2023. m.Doc's reported revenue in 2022 amounted to approximately kEUR 10,388, and reported EBITDA came out to kEUR - 5,444. The fixed component of the purchase price was kEUR 5,590 and was paid out in full as at reporting date. Additionally, there is an earn-out agreement, which is based on fixed defined revenues for 2023 and is recognized under purchase price liabilities in the amount of kEUR 5,000.

The current assessment reports preliminary goodwill of kEUR 8,165, which is mainly attributable to the expansion of the distribution network for the AIS segment in Germany. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 10,661 and relates to customer relationships, software and trademark rights. Based on the identifiable net assets, non-controlling interests amount to kEUR 2,327. For receivables acquired as part of the acquisition, the fair value is the carrying amount assumed as at the acquisition date based on the expected term of the receivables and the best estimate of the addition of contractual cash flows. An initial analysis of the financial information available identified no uncollectable receivables.

Deferred tax liabilities of kEUR 3,198 are recognized on the fair value of the acquired intangible assets not including goodwill. No contingent liabilities or contingent assets have been identified to date.

The measurement of the m.Doc acquisition was performed provisionally, as the measurement of the acquired customer relationships, software and trademark rights is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

B.4 Other additions

Acquisition of INSIGHT Health group, Germany

In 2023, current purchase price liabilities of kEUR 10,000 are paid, which result from the acquisition of 100 % of the shares in the INSIGHT Health group in 2022.

Acquisition of Schuyler House Inc., USA

In the first half of 2023, kEUR 362 of the contingent consideration was paid, resulting from the acquisition of 100 % of the shares in Schuyler House Inc. in 2020.

Acquisition of Meta-it GmbH, Germany

In the first half of 2023, current purchase price liabilities of kEUR 375 are paid, which result from the acquisition of 100 % of the shares in Meta-it GmbH in 2021.

Acquisition of the assets of curacom Praxistechnik, Germany

In 2023, kEUR 60 of the contingent consideration was paid, resulting from the acquisition of the business operations of curacom Praxistechnik in 2022.

Acquisition of Small Business Computers of New England, Inc., USA

In the first half of 2023, kEUR 1,372 of the current purchase price liabilities were paid, resulting from the acquisition of 100 % of the shares in Small Business Computers of New England, Inc. in 2022.

Acquisition of the assets of Medicus Laboratory Information Systems, USA

In 2023, kEUR 525 of the contingent consideration was paid, resulting from the acquisition of the business operations of Medicus Laboratory Information Systems in 2022.

EXPLANATORY NOTES

B.5 Financial Instruments

CompuGroup Medical SE & Co. KGaA has financial instruments to be classified as financial assets consist of Cash and cash equivalents, Trade receivables, Other financial assets and Other investments. Financial instruments to be classified as financial liabilities comprise Liabilities to banks, Purchase price liabilities, Trade payables and Other financial liabilities. The same recognition and measurement principles were applied as for the consolidated financial statements as of December 31, 2022.

The following table shows the carrying amounts and valuations of the group's existing financial instruments in accordance with the measurement categories in accordance with IFRS 9 as at June 30, 2023:

| kEUR | Measurement category according to IFRS 9 | Book value as at Jun, 30 2023 | IFRS 9 valuation | | IFRS16 valuation | | Fair value* as at Jun, 30 2023 |
|--|--|-------------------------------|------------------|-----------------------------------|---------------------------|-----------------|--------------------------------|
| | | | Amortized costs | Fair value through profit or loss | Fair value through equity | Amortized costs | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | AC | 58,044 | 58,044 | 0 | 0 | 0 | - |
| Trade receivables | AC | 175,283 | 175,283 | 0 | 0 | 0 | - |
| Other financial assets | AC | 8,830 | 8,830 | 0 | 0 | 0 | - |
| Finance lease receivables | n/a | 22,959 | 0 | 0 | 0 | 22,959 | - |
| Derivatives classified as Cashflow Hedges | n/a | 10,938 | 0 | 0 | 10,938 | 0 | 10,938 |
| Derivatives without hedge accounting | FVtPL | 22,175 | 0 | 22,175 | 0 | 0 | 22,175 |
| Other investments | FVtPL | 3,163 | 0 | 3,163 | 0 | 0 | 3,163 |
| Total financial assets | | 301,392 | 242,157 | 25,338 | 10,938 | 22,959 | - |
| thereof Financial instruments at fair value through profit or loss | FVtPL | 25,338 | 0 | 25,338 | 0 | 0 | 25,338 |
| thereof Amortized costs | AC | 242,157 | 242,157 | 0 | 0 | 0 | - |
| Financial liabilities | | | | | | | |
| Liabilities to banks | AC | 79,734 | 79,734 | 0 | 0 | 0 | 0 |
| Purchase price liabilities | AC | 20,546 | 20,546 | 0 | 0 | 0 | - |
| Trade payables | AC | 79,734 | 79,734 | 0 | 0 | 0 | - |
| Lease Liabilities | n/a | 50,085 | 0 | 0 | 0 | 50,085 | - |
| Derivatives classified as Cashflow Hedges | n/a | -914 | 0 | 0 | -914 | 0 | -914 |
| Other financial liabilities | AC | 7,865 | 7,865 | 0 | 0 | 0 | - |
| Total financial liabilities | | 237,050 | 187,879 | 0 | -914 | 50,085 | - |
| Amortized costs | AC | 187,879 | 187,879 | 0 | 0 | 0 | - |

* The table contains no information regarding the fair value of Cash and cash equivalents, Trade receivables, Other financial assets, Finance lease receivables, Purchase price liabilities, Trade payables, Lease liabilities and other financial liabilities. The carrying amounts corresponds approximately to the fair value

EXPLANATORY NOTES

The financial instruments by measurement category for the prior-year comparison period as at June 30, 2022, adjusted to the currently applicable definition, are as follows:

| KEUR | Measurement category according to IFRS 9 | Book value as at Jun, 30 2022 | IFRS 9 valuation | | IFRS16 valuation | | Fair value* as at Jun, 30 2022 |
|--|--|-------------------------------|------------------|-----------------------------------|---------------------------|-----------------|--------------------------------|
| | | | Amortized costs | Fair value through profit or loss | Fair value through equity | Amortized costs | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | AC | 120,066 | 120,066 | 0 | 0 | 0 | - |
| Trade receivables | AC | 153,496 | 153,496 | 0 | 0 | 0 | - |
| Other financial assets | AC | 15,121 | 15,121 | 0 | 0 | 0 | - |
| Finance lease receivables | AC | 26,060 | 0 | 0 | 0 | 26,060 | - |
| Derivatives without hedge accounting | FVtPL | 18,617 | 0 | 18,617 | 0 | 0 | 18,617 |
| Other investments | FVtPL | 3,125 | 0 | 3,125 | 0 | 0 | 3,125 |
| Total financial assets | | 336,485 | 288,683 | 21,742 | 0 | 26,060 | - |
| thereof Financial instruments at fair value through profit or loss | FVtPL | 21,742 | 0 | 21,742 | 0 | 0 | 21,742 |
| thereof Amortized costs | AC | 288,683 | 288,683 | 0 | 0 | 0 | - |
| Financial liabilities | | | | | | | |
| Liabilities to banks | AC | 763,852 | 763,852 | 0 | 0 | 0 | 763,852 |
| Purchase price liabilities | AC | 25,964 | 25,964 | 0 | 0 | 0 | - |
| Trade payables | AC | 80,792 | 80,792 | 0 | 0 | 0 | - |
| Lease Liabilities | AC | 57,848 | 0 | 0 | 0 | 57,848 | 57,848 |
| Derivatives classified as Cashflow Hedges | n/a | -287 | 0 | 0 | -287 | 0 | -287 |
| Other financial liabilities | AC | 13,648 | 13,648 | 0 | 0 | 0 | - |
| Total financial liabilities | | 941,817 | 884,256 | 0 | -287 | 57,848 | 821,413 |
| Amortized costs | AC | 942,104 | 884,256 | 0 | 0 | 57,848 | - |

* The table contains no information regarding the fair value of Cash and cash equivalents, Trade receivables, Other financial assets, Finance lease receivables, Purchase price liabilities, Trade payables, Lease liabilities and other financial liabilities. The carrying amounts corresponds approximately to the fair value

EXPLANATORY NOTES

B.6 Disclosures on related parties

During the first half of the financial year, group companies entered into the following transactions with related parties outside the consolidated group.

These were conducted under conditions which are equivalent to those applied to third parties to stay in accordance with the arm's length principle.

In addition, the following amounts were outstanding at the end of the reporting period:

| kEUR | Sale of goods | | Purchase of goods | | Receivables | | Liabilities | |
|---|------------------|------------------|-------------------|------------------|-------------|-----------|-------------|-----------|
| | 01.01-30.06.2023 | 01.01-30.06.2022 | 01.01-30.06.2023 | 01.01-30.06.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| Frank Gotthardt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dr. Brigitte Gotthardt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prof. Dr. Daniel Gotthardt | 0 | 0 | 27 | 25 | 0 | 0 | 0 | 0 |
| CompuGroup Medical Management SE | 0 | 8 | 3,070 | 7,623 | 0 | 4 | 2104 | 878 |
| further Administrative Board | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| further related companies | 804 | 859 | 1,622 | 2,667 | 119 | 210 | 71 | 52 |
| Associated companies and joint ventures | 10,659 | 5,528 | 68 | 90 | 1,513 | 1,124 | 10 | 0 |

Payments amounting to kEUR 3,070 (prior year: kEUR 7,623) were made to the personally liable company CompuGroup Medical Management SE, which is controlled by Frank Gotthardt via GT 1 Vermögensverwaltung GmbH, in this period for remuneration of the Managing Directors, the Administrative Board and other expense allowances.

Furthermore, Frank Gotthardt directly and indirectly holds a significant shareholding in CompuGroup Medical SE & Co. KGaA as at June 30, 2023. As a result, in addition to the associated companies stated in the list of shareholdings, also all companies having a corporate relationship with Frank Gotthardt, Dr. Brigitte Gotthardt or Professor Dr. Daniel Gotthardt are related to CompuGroup Medical SE & Co. KGaA.

Other related persons:

Remuneration paid to current and former members of the Supervisory and the Administrative Board are not stated here.

Administrative Board

Business relationships with Frank Gotthardt and Professor Dr. Daniel Gotthardt are shown separately and not included in this list.

Supervisory Board and Senior Management

Beyond this, there were no significant direct business relationships with members of the Supervisory Board or the Senior Management.

Related companies:

The received goods and services are mainly composed of the business relations with mps public solutions GmbH (mEUR 0.4), GT Transportation Service GmbH (mEUR 0.3), KEC Vertriebs GmbH & Co. KG (mEUR 0.2), INFOSOFT Informations- und Dokumentationssysteme GmbH (mEUR 0.2) and KSM KoWaDi Security Management GmbH (mEUR 0.2) which were received in particular from CGM SE & Co. KGaA, CGM Clinical Deutschland GmbH and CGM Deutschland AG. The goods and services provided mainly consist of business relations with the mps public solutions GmbH amounting to mEUR 0.7 by CGM Clinical Deutschland GmbH.

Associated companies and joint ventures:

Business relationships with associated companies and joint ventures relate primarily to goods and services exchanged with MGS Meine Gesundheit Services GmbH for software developments in the amount of mEUR 10.1 (prior year: mEUR 5.5). This is also the case for the receivables in the amount of mEUR 1.5 (prior year: mEUR 1.1)

B.7 Compliance with credit agreements and financial covenants

On January 28, 2020, CGM took out a credit facility of mEUR 1,000 with a term of at least five years; the facility comprises a revolving multi-currency credit facility (RCF) of mEUR 600 and a mEUR 400 term loan (TLF).

The syndicated loan has a total term of five years with two renewal options of one year each for the revolving credit facility. The second option was exercised in January 2022. The interest rate is based on EURIBOR (LIBOR for foreign currency loans) for the selected interest period plus a margin that can change in contractually agreed stages in line with the leverage ratio. As at June 30, 2023, the TLF was utilized in the amount of mEUR 400 and the RCF in the amount of mEUR 0. The interest rate was 4.68 % for the TLF as at June 30, 2023. Considering the interest rate cap the interest rate was 4.4 %.

On July 11, 2022, CGM took out a loan from the European Investment Bank (EIB) of mEUR 200 with a term of six years. The interest rate was 3.80 % for the facility as at June 30, 2023. Considering the interest rate swap the interest rate was 2.75 %.

EXPLANATORY NOTES

In order to hedge interest rate risks, CGM concluded in 2021 an interest rate cap with a nominal volume of mEUR 400 and a remaining term to maturity until May 7, 2031. In addition, an interest rate swap with a remaining term until July 11, 2028 and a notional amount of mEUR 200 was concluded in October 2022. The interest rate swap is related to the EIB loan and classified as cashflow hedge. The loans are subject to compliance with contractually agreed financial covenants (leverage ratio).

Various German group companies have issued joint and several payment guarantees for this loan agreement (default liability for nonpayment by CompuGroup Medical SE & Co. KGaA).

In financial year 2023, CGM fully complied with all financial covenants in the existing loan agreements.

B.8 Contingent liabilities, guarantees and other commitments

As at June 30, 2023, contingent liabilities remained on a similar level compared to December 31, 2022 with mEUR 6.1 compared to mEUR 6.0. The small adjustment is mainly due to guarantees for contract executions of CGM Poland that are now in the amount of mEUR 1.5.

B.9 Events after the reporting date

There are no significant events to report after the balance sheet date.

B.10 Segment reporting

The activities of CompuGroup Medical SE & Co. KGaA are in accordance with IFRS 8 "Operating Segments" divided into business segments and disclosed as stated in segment reporting.

These business segments form the basis of segment reporting. The range of services offered by the four business segments are presented as follows:

- AIS: Development and distribution of practice software solutions and the delivery of services for practising physicians and dentists in private practice. In addition, Internet Services are provided for physicians and other participants in the healthcare sector.
- HIS: Development and distribution of hospital software solutions as well as the delivery of services.
- CHS: Combines Consumer, Pharma, Insurance, Data & Analytics and Connectivity business areas including the telematics infrastructure with the aim of connecting healthcare providers (doctors, dentists, clinics and pharmacists) with other important market participants in the healthcare sector, such as e.g. cost-bearers, pharmaceutical companies and research institutions.
- PCS: Development and distribution of software solutions and delivery of services for pharmacists.

On the basis of the reporting system, the executive directors, as chief operating decision makers, assess the performance of the four reportable segments and make decisions on the allocation of resources. For the evaluation and assessment of the operating segments, Group Management uses the earnings figure "Earnings before interest, taxes, depreciation and amortization (EBITDA)", which thus represents the segment result.

EXPLANATORY NOTES

Segment Report as of June 30, 2023

| kEUR | Segment AIS Ambulatory Information Systems | | | Segment HIS Hospital Information Systems | | | Segment CHS Consumer and Health Management Information Systems | | | Segment PCS Pharmacy Information Systems | | |
|---|---|-------------------|-------------------|---|-------------------|-------------------|---|-------------------|-------------------|---|-------------------|-------------------|
| | 2023 | 2022* | 2022* | 2023 | 2022 | 2022 | 2023 | 2022* | 2022* | 2023 | 2022 | 2022 |
| | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. |
| Revenues to third parties | 252,098 | 242,469 | 502,287 | 149,290 | 136,630 | 277,217 | 124,603 | 76,002 | 219,594 | 69,020 | 61,571 | 130,547 |
| thereof Software license | 22,787 | 20,982 | 45,756 | 14,951 | 15,461 | 29,910 | 627 | 556 | 1,044 | 2,849 | 2,488 | 5,685 |
| thereof Hardware | 8,726 | 10,515 | 19,612 | 3,849 | 4,357 | 9,583 | 39,025 | 7,788 | 53,327 | 13,289 | 11,694 | 27,484 |
| thereof Professional Services | 14,943 | 17,657 | 41,409 | 27,508 | 23,228 | 47,358 | 12,451 | 5,578 | 22,897 | 6,446 | 5,472 | 12,228 |
| thereof Software Maintenance & hotline | 141,580 | 137,611 | 278,491 | 76,753 | 68,823 | 140,137 | 9,428 | 7,106 | 14,096 | 22,915 | 20,510 | 42,185 |
| thereof Other recurring revenues | 58,376 | 51,072 | 107,206 | 26,166 | 24,556 | 49,795 | 42,624 | 27,800 | 56,180 | 22,739 | 20,833 | 41,787 |
| thereof Advertising, eDetailing and Data | 312 | 381 | 682 | 5 | 0 | 0 | 19,297 | 26,149 | 69,039 | 318 | 275 | 490 |
| thereof Other revenues | 5,373 | 4,251 | 9,131 | 57 | 206 | 434 | 1,151 | 1,025 | 3,011 | 464 | 299 | 688 |
| Point in time of revenue recognition | | | | | | | | | | | | |
| at a specific point in time | 16,499 | 16,422 | 35,858 | 6,673 | 6,816 | 14,880 | 40,244 | 8,883 | 56,463 | 14,558 | 12,751 | 29,812 |
| over a period of time | 235,599 | 226,047 | 466,429 | 142,617 | 129,814 | 262,337 | 84,359 | 67,119 | 163,131 | 54,462 | 48,820 | 100,735 |
| | 252,098 | 242,469 | 502,287 | 149,290 | 136,630 | 277,217 | 124,603 | 76,002 | 219,594 | 69,020 | 61,571 | 130,547 |
| thereof recurring revenues | 199,957 | 188,684 | 385,697 | 102,919 | 93,379 | 189,932 | 52,052 | 34,906 | 70,276 | 45,655 | 41,343 | 83,972 |
| Revenues between segments | 34,876 | 26,788 | 84,008 | 2,793 | 2,916 | 5,347 | 18,497 | 12,805 | 47,089 | 2,414 | 1,539 | 4,160 |
| Segment Revenues | 286,974 | 269,257 | 586,295 | 152,082 | 139,546 | 282,564 | 143,100 | 88,807 | 266,683 | 71,434 | 63,111 | 134,707 |
| Capitalized inhouse services | 3,297 | 6,870 | 11,322 | 7,565 | 8,775 | 18,491 | 4,618 | 4,963 | 10,791 | 2,757 | 2,177 | 4,216 |
| Other income | 3,686 | 7,146 | 11,349 | 3,575 | 1,952 | 6,197 | 559 | 600 | 1,254 | 786 | 882 | 2,823 |
| Expenses for goods and services purchased | -64,014 | -61,871 | -145,521 | -24,633 | -21,238 | -48,077 | -60,061 | -36,828 | -133,798 | -18,332 | -15,726 | -35,242 |
| Personnel costs | -113,865 | -111,361 | -223,641 | -85,557 | -80,598 | -161,768 | -30,101 | -26,821 | -58,196 | -23,420 | -23,272 | -46,375 |
| Other expenses | -55,458 | -56,940 | -115,282 | -39,354 | -32,323 | -72,927 | -17,294 | -17,903 | -38,124 | -10,070 | -9,807 | -20,776 |
| EBITDA | 60,620 | 53,101 | 124,522 | 13,678 | 16,114 | 24,480 | 40,821 | 12,818 | 48,610 | 23,155 | 17,365 | 39,353 |
| in % of revenues | 24.0% | 21.9% | 24.8% | 9.2% | 11.8% | 8.8% | 32.8% | 16.9% | 22.1% | 33.5% | 28.2% | 30.1% |
| Depreciation of property, plant and equipment and right of use assets | | | | | | | | | | | | |
| Amortization of intangible assets | | | | | | | | | | | | |
| EBIT | | | | | | | | | | | | |
| Result from companies accounted for using the equity method | | | | | | | | | | | | |
| Financial income | | | | | | | | | | | | |
| Financial expenses | | | | | | | | | | | | |
| Net impairment losses on financial assets | | | | | | | | | | | | |
| EBT | | | | | | | | | | | | |
| Income taxes for the period | | | | | | | | | | | | |
| Consolidated net income for the period | | | | | | | | | | | | |
| in % of revenues | | | | | | | | | | | | |

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure

EXPLANATORY NOTES

Segment Report as of June 30, 2023

| kEUR | All other segments | | | Sum Segments | | | Consolidation | | | CGM Group | | |
|---|--------------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|-----------------|----------------|----------------|------------------|
| | 2023 | 2022 | 2022 | 2023 | 2022* | 2022* | 2023 | 2022* | 2022* | 2023 | 2022 | 2022 |
| | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. | 01.01 - 30.06. | 01.01 - 30.06. | 01.01 - 31.12. |
| Revenues to third parties | 11 | 24 | 94 | 595,022 | 516,696 | 1,129,739 | 0 | 0 | 0 | 595,022 | 516,696 | 1,129,739 |
| thereof Software license | 0 | 0 | 0 | 41,214 | 39,487 | 82,395 | 0 | 0 | 0 | 41,214 | 39,487 | 82,395 |
| thereof Hardware | 0 | 0 | 0 | 64,889 | 34,354 | 110,006 | 0 | 0 | 0 | 64,889 | 34,354 | 110,006 |
| thereof Professional Services | 6 | 23 | 94 | 61,354 | 51,958 | 123,986 | 0 | 0 | 0 | 61,354 | 51,958 | 123,986 |
| thereof Software Maintenance & hotline | 0 | 0 | 0 | 250,676 | 234,050 | 474,909 | 0 | 0 | 0 | 250,676 | 234,050 | 474,909 |
| thereof Other recurring revenues | 0 | 0 | 0 | 149,905 | 124,261 | 254,968 | 0 | 0 | 0 | 149,905 | 124,261 | 254,968 |
| thereof Advertising, eDetailing and Data | 0 | 0 | 0 | 19,932 | 26,805 | 70,211 | 0 | 0 | 0 | 19,932 | 26,805 | 70,211 |
| thereof Other revenues | 6 | 0 | 0 | 7,051 | 5,781 | 13,264 | 0 | 0 | 0 | 7,051 | 5,781 | 13,264 |
| Point in time of revenue recognition | | | | | | | | | | | | |
| at a specific point in time | 6 | 0 | 0 | 77,980 | 44,872 | 137,013 | 0 | 0 | 0 | 77,980 | 44,872 | 137,013 |
| over a period of time | 5 | 24 | 94 | 517,042 | 471,824 | 992,726 | 0 | 0 | 0 | 517,042 | 471,824 | 992,726 |
| | 11 | 24 | 94 | 595,022 | 516,696 | 1,129,739 | 0 | 0 | 0 | 595,022 | 516,696 | 1,129,739 |
| thereof recurring revenues | 0 | 0 | 0 | 400,583 | 358,312 | 729,877 | 0 | 0 | 0 | 400,583 | 358,312 | 729,877 |
| Revenues between segments | 8,548 | 7,592 | 10,247 | 67,128 | 51,640 | 150,851 | -67,128 | -51,640 | -150,851 | 0 | 0 | 0 |
| Segment Revenues | 8,559 | 7,615 | 10,341 | 662,149 | 568,336 | 1,280,590 | -67,128 | -51,640 | -150,851 | 595,021 | 516,696 | 1,129,739 |
| Capitalized inhouse services | 687 | 0 | 0 | 18,924 | 22,785 | 44,820 | 0 | 0 | 0 | 18,924 | 22,785 | 44,820 |
| Other income | 51,155 | 46,185 | 96,853 | 59,761 | 56,765 | 118,476 | -44,481 | -49,343 | -99,080 | 15,280 | 7,422 | 19,396 |
| Expenses for goods and services purchased | -5,698 | -3,728 | -3,172 | -172,738 | -139,391 | -365,810 | 66,699 | 50,698 | 149,413 | -106,039 | -88,693 | -216,397 |
| Personnel costs | -29,084 | -28,693 | -57,572 | -282,027 | -270,745 | -547,552 | 274 | 530 | 848 | -281,753 | -270,215 | -546,704 |
| Other expenses | -27,540 | -30,930 | -67,020 | -149,716 | -147,903 | -314,129 | 44,601 | 50,441 | 99,625 | -105,115 | -97,462 | -214,504 |
| EBITDA | -1,921 | -9,551 | -20,570 | 136,353 | 89,847 | 216,395 | -35 | 686 | -45 | 136,318 | 90,533 | 216,350 |
| in % of revenues | | | | 22.9% | 17.4% | 19.2% | | | | 22.9% | 0 | 19.2% |
| Depreciation of property, plant and equipment and right of use assets | | | | | | | | | | -19,500 | -20,636 | -42,770 |
| Amortization of intangible assets | | | | | | | | | | -32,914 | -32,718 | -69,551 |
| EBIT | | | | | | | | | | 83,904 | 37,179 | 104,029 |
| Result from companies accounted for using the equity method | | | | | | | | | | 0 | 0 | -99 |
| Financial income | | | | | | | | | | 496 | 13,859 | 22,719 |
| Financial expenses | | | | | | | | | | -17,795 | -6,585 | -14,584 |
| Net impairment losses on financial assets | | | | | | | | | | 0 | 0 | -5,250 |
| EBT | | | | | | | | | | 66,605 | 44,452 | 106,815 |
| Taxes on income for the period | | | | | | | | | | -21,022 | -14,098 | -32,699 |
| Consolidated net income for the period | | | | | | | | | | 45,583 | 30,355 | 74,116 |
| in % of revenues | | | | | | | | | | 7.7% | 5.9% | 6.6% |

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure

ADDITIONAL INFORMATION

Financial calendar

| Date | Event |
|-------------------|-----------------------------|
| September 7, 2023 | Capital Markets Day |
| November 9, 2023 | Quarterly Statement Q3 2023 |

Contact information

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Investor Relations

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Management Responsibility Statement

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position, and results of operations of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group over the remainder of the financial year.

Koblenz, August 10, 2023

CompuGroup Medical SE & Co. KGaA
Represented by the Managing Directors
of CompuGroup Medical Management SE



Michael Rauch



Emanuele Mugnani



Dr. Eckart Pech



Hannes Reichl



CompuGroup Medical SE & Co. KGaA

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