

## **Speech by Frank Gotthardt**

**Chief Executive Officer of CompuGroup Medical AG,  
on the occasion of the Annual General Meeting  
on May 14, 2014 in Koblenz**

The spoken word applies.

### **Chart 5: Introductory slide**

Dear shareholders, Ladies and Gentlemen,

Good morning and welcome to our company headquarters here in Koblenz for this year's Annual General Meeting. 2013 was another successful year for CompuGroup Medical AG, and simultaneously one which has shaped a decisive course for the future:

- We were able to increase our turnover yet again;
- We have significantly strengthened our position in international markets;
- And in Germany, we have created an excellent foundation for further growth by winning a tender for one of the most pioneering projects in the healthcare sector.

Nevertheless, we remain on our solid course towards the top of the eHealth branch worldwide.

Now, to the key figures:



**Chart 6: Worldwide success for nearly 400,000 customers in 43 countries.**

With a turnover of over 460 million Euros, we were able to achieve an operative profit of nearly 98 million Euros. Unfortunately, we lagged somewhat behind our very ambitious targets, but this is largely due to weaker business in the U.S., stricter regulations in pharmaceutical communication and crucial investment efforts. The largest turnover share was generated in Europe which is where the majority of our 4,100 employees are engaged.

On the map, you can see our 400,000 customers dispersed throughout countries worldwide. In addition to our strategic presence in the U.S., we are represented in nearly every European country. In the Far East, we are operative in Turkey, Saudi Arabia and Malaysia, from which we are able to act in other Asian countries. We serve our African customers from our location in South Africa. In total, we are active in patient treatment for 43 countries worldwide. We support customers in 9 countries more than in the previous year, which is a sign of growth and further potential.



## **Chart 7: Company Overview**

Ladies and Gentlemen, you have made the right choice in putting your trust in CompuGroup: As the international healthcare markets continue to grow, increasingly more attractive business opportunities are beginning to reveal themselves in areas beyond the classic business in the healthcare market. This can already be seen today in the use of various applications. Within a matter of weeks, we have seen a significant increase in the number users and are already well over the quarter million mark.

You are betting on the right company: not only is our company a leading provider of medical software solutions worldwide, but we are also represented on nearly every continent with market shares of up to 70%. More importantly, we cater to the IT needs of nearly all players in the healthcare sector as a single company!

Our 400,000 customers include medical and dental practices, pharmacies, hospitals, rehabilitation and social facilities, laboratories, health insurances and industrial institutions.

Above all, we have foreseen the increasingly popular trends and have dubbed both patients and insurances as key players. They will be the focus of all our new developments. However, we will not forget to keep an eye on our normal business and will proceed here with a clear organizational structure.

## **Chart 8: Classic Business**

In our Health Provider Service business area, we follow a doctor-centered, or rather care provider- centered approach for our business. Whether in our strongest market, e.g. doctor information systems, or in other areas such as the dental sector or solutions for pharmacies or clinics – we still have great potential for development, not only in Germany, but in all international markets where CGM operates.

Through strategic acquisitions, we have significantly strengthened ourselves in the past year, i.e. our acquisitions in France which doubled our market share.

In the pharmacy sector, we are currently implementing an innovation which will increase the turnover and profit of our pharmacy customers: the Management Information System MIS 2.0 from Lauer-Fischer. MIS 2.0 will make its debut at the pharmacy trade fair “ExpoPharm” in September. Market introduction has been planned for the beginning of 2015. Combined with WINAPO 64 and our product “RezeptScan”, MIS 2.0 will create a strong foundation for further profitable growth in the pharmacy software area.

Another growth engine is our patient-centered services.

### **Chart 9: Patient-Centered Business**

We foresaw the political changes leading to the development of the “responsible patient” and anticipated this in our development of various products. The German healthcare politics were not alone in being subjected to the direction change in the last year by the important topics of European patient’s rights laws and safe medication therapy.

Both topics require a well informed and educated patient - and this development will progress in the coming years. Our Health Connectivity Services have therefore set new standards with innovative products and services. Examples not only include our very successful pilot projects, such as the medication account in North Rhine-Westphalia, but also our product, CGM Life. With these products, patients can increasingly take health care into their own hands. The German Federal Minister of Economics has distinguished this project as an outstanding best-practice example for the development of IT-based solutions for the future in the healthcare sector.

### **Chart 10: New Infrastructure for eHealth in Germany**

After long years of hard work – and admittedly, some political setbacks - the order to begin the online rollout for testing the first stage of the telematics infrastructure in Germany was finally given last year. In a consortium with our partners, CompuGroup was awarded the tender for one of the two test regions. CGM’s portion of the tender’s contract value is approximately 20 million EUR, however it must be said that the major payments will not be made until 2014 and 2015. In addition, a further 6 million EUR in revenue is expected for the CGM Group within the context of this project.

With the telematics infrastructure project, a long-term opportunity for growth has presented itself to CGM and the pilot project is only the first step on the road to a much higher share of revenue for our company. The nationwide rollout will give CGM the opportunity, both on a medium and long term basis, to sell the new online access products compliant with the electronic health card to all existing customers in

Germany, which means: about 44,200 practices (with 69,400 physicians), nearly 15,000 dental practices (with 19,800 dentists), approximately 4,000 pharmacies (8,000 pharmacists), about 100 hospitals, 300 rehabilitation centers and 550 social institutions.

It is also important to note, that the telematics infrastructure perfectly suits CGM's strategy to provide its own customers with more products and services, such as eServices, online prescription requests, electronic laboratory orders, doctors networks, the online organization of clinical treatment processes or even web hosting services.

### **Chart 11: Strategic Acquisitions**

Dear shareholders,

We have continued our acquisition strategy from the preceding year, particularly in Italy by acquiring the majority share of the company, Studiofarma. Through this transaction we not only managed to enter the Italian pharmacy market, but with our subsequent acquisition of the majority share in the Italian market leader for Dental software "Tekne", we have developed a diverse portfolio of offerings. These developments in the Italian market have made us more than confident.

We are striving for similar development in France. A first very successful step was doubling our French market share in doctor information systems to nearly 50% through the complete acquisition of our largest competitor to date in this country.

After our efforts to expand the hospital business and the successful ongoing product development of G3 HIS, we have taken a big step towards the future for the laboratory area. The acquisition of vision4health gives us not only the best market opportunities in the laboratory and diagnostics market, but has also expanded our product portfolio allowing us to meet needs in various countries.

### **Chart 12: Forecast for 2014**

Taking into account CompuGroup Medical's developments thus far in the last ten years, our medium- and long-term business strategy will obviously bring you and us long-term high growth potential.

The previously published figures for the first quarter show an increase in turnover of 8% as compared to same quarter of the preceding year. We are on the right track and are confident about a significant increase in profitability.

### **Chart 13: Building Blocks of Growth**

In addition to the growth in our traditional customer base in Germany, we will continue to grow in newly conquered markets. This includes the consistent expansion of a uniform and efficient technology platform internationally as well as our innovative offerings in the area of patient communication.

We can confirm our company's forecast for 2014 and expect a turnover which, for the first time, will exceed the € 500 million mark.

### **Chart 14: Dividends**

In our positive growth, you as shareholders should also profit in the form of a dividend. At this year's Annual General Meeting we have suggested a dividend in the amount of 0.35 €.

At this point, I am pleased to announce that in 2013 CompuGroup Medical AG was admitted into the prestigious stock exchange index, TecDax.

Achieving our goals always means taking another step towards better health care. Intelligent software is the key to building and ensuring a better future for healthcare. Patients should reap maximum benefits from medical innovations, be treated effectively and play an active role in their own healthcare.



CGM gladly takes on this high responsibility. I am thankful and proud to serve the company in the important role as its Chief Executive Officer. Here, I build upon the great achievements and the dedication of our approximately 4,100 employees worldwide.

In conclusion, I would like to sincerely thank our Supervisory Board, especially the departing members. We look forward to continued good cooperation with the newly established Supervisory Board for the well-being of our company.

I would also like to thank our shareholders for entrusting us with a portion of their fortune in deciding to invest in CompuGroup Medical AG. We will do everything within our power to justify this trust in the future.

Thank you for your attention.