

Report of the Supervisory Board

Financial year 2020 brought a whole range of personnel and structural changes for CompuGroup Medical.

On May 13, 2020, the Annual General Meeting of CompuGroup Medical SE resolved to change the legal form of the company into a partnership limited by shares, CompuGroup Medical SE & Co. KGaA. The conversion became effective with its registration in the commercial register of the local court of Koblenz on June 18, 2020. In contrast to CompuGroup Medical SE, CompuGroup Medical SE & Co. KGaA does not have a management board. Since the change of legal form took effect, the former responsibilities of the Management Board were transferred to the general partner of the company, CompuGroup Medical Management SE, Koblenz. The general partner is represented by its Managing Directors, and these are the previous members of the Management Board of CompuGroup Medical SE.

For the time period until the change of legal form took effect on June 18, 2020, this report is still based on the former dual structure of the company as a European stock corporation (SE) with a Management Board as the management and representative body. In the reporting period, the former Supervisory Board of CompuGroup Medical SE comprised the following members: Dr. Klaus Esser, Professor Dr. Daniel Gotthardt, Dr. Ulrike Handel, Maik Pagenkopf, Klaus Schrod and Thomas Seifert. The previous Supervisory Board member mandates of CompuGroup Medical SE ended with the registration of the change of legal form.

For the time period starting from the effective date of the change of legal form on June 18, 2020, this report relates to the activities of the new Supervisory Board of CompuGroup Medical SE & Co. KGaA. In line with the German Co-Determination Act, half of the Supervisory Board of CompuGroup Medical SE Co. KGaA consists of employee representatives. In total, the Supervisory Board comprises twelve members. The shareholder representatives (Philipp von Ilberg, Dr. Ulrike Handel, Dr. Bettina Volkens, Matthias Störmer, Professor Dr. Martin Köhrmann and Dr. Michael Fuchs) were elected and appointed by the Annual General Meeting on May 13, 2020 with effect from the change of legal form being registered. With effect from July 3, 2020, Andrea Becker, Claudia Frevel, Ursula Keller, Volker Kohl, Sven Thomas Müller and Thomas Veith were appointed by court as employee representatives.

Report of the SE Supervisory Board:

The Supervisory Board of CompuGroup Medical SE (SE Supervisory Board) performed the duties incumbent upon it under the law, the Articles of Association and the rules of procedure in financial year 2020 until the change of legal form took effect on June 18, 2020. The SE Supervisory Board regularly advised and monitored the Management Board regarding its management of the company. The SE Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Management Board informed the SE Supervisory Board in written and oral reports in a timely and comprehensive manner about all important issues of corporate planning and strategic development, about the course of business, the general situation of the group, including any risks, and about risk management. The SE Supervisory Board received regular reports from the Management Board on the measures taken to increase sales revenue and improve earnings, as well as on major, planned and completed company acquisitions, and discussed potential opportunities and risks of planned transactions in detail with the Management Board.

The SE Supervisory Board had formed an Audit Committee that was chaired by Dr. Klaus Esser. Until the change of legal form took effect on June 18, 2020, the Audit Committee held a total of three meetings in the reporting period. Among other things, the Audit Committee discussed the interim financial reports of the Management Board and prepared resolutions to be adopted by the SE Supervisory Board and recommended that the SE Supervisory Board should propose to the Annual General Meeting that a resolution be passed to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, with its registered office in Berlin, as the auditor of the annual and consolidated financial statements for financial year 2020 and as the auditor to perform the review of interim financial reports for financial year 2020 and for the first quarter of 2021.

In the past financial year, seven Supervisory Board meetings of the SE Supervisory Board were held, both as face-to-face meetings and as video conferences. One resolution was adopted per circulation:

January 23, 2020:

During the meeting, the SE Supervisory Board was informed about the status of a possible acquisition of certain parts of Cerner's German and Spanish hospital information systems business. The potential target business included in particular the product lines medico in Germany and Selene in Spain. In addition, the SE Supervisory Board approved the conclusion of a new financing agreement with a total volume of bnEUR 1.0 and updated the rules of procedure for the Management Board. The SE Supervisory Board then discussed and approved the Management Board's and the Supervisory Board's joint declaration of compliance with the German Corporate Governance Code in its version of February 7, 2017 and approved an update of the Group's budget for 2020. Also at this meeting, the Management Board explained its current preliminary thoughts regarding the guidance for 2020 to the SE Supervisory Board. Finally, the Supervisory Board discussed a possible change of the legal form of the company into a partnership limited by shares (KGaA) in this meeting.

Report of the Supervisory Board continued

January 30, 2020:

The SE Supervisory Board discussed again the current status of the aforementioned acquisition project and coordinated the further schedule of this project and further consultations in this regard with the Management Board. Finally, the Supervisory Board discussed again a possible change of legal form to a partnership limited by shares.

February 5, 2020:

In this meeting, the Supervisory Board approved the partial acquisition of Cerner's German and Spanish hospital information systems business, in particular the medico and Selene product lines.

Subsequently, the meeting discussed again the possible change of legal form into a partnership limited by shares and decided to implement this conversion subject to the necessary approval of the Annual General Meeting of the company.

February 12, 2020:

In its meeting on February 12, 2020, the SE Supervisory Board resolved to appoint Dr. Dirk Wössner as a member and chairman of the Management Board and approved the conclusion of the corresponding Management Board contract. His employment contract already provided for the adjustment to the position as member of the Administrative Board and Chairman of the Managing Directors, subject to the approval of the Annual General Meeting on May 13, 2020, for the time after the legal form of the company was changed to a partnership limited by shares (KGaA).

March 16, 2020:

At the meeting on March 16, 2020 to approve the company's financial statements, the SE Supervisory Board discussed the annual financial statements and the consolidated financial statements for financial year 2019 with the Management Board in the presence of the auditor. The annual financial statements for 2019 were adopted and the 2019 consolidated financial statements and the separate non-financial report for financial year 2019 were approved. The risk report presented by the Management Board was acknowledged. Moreover, the SE Supervisory Board decided to approve the Management Board's proposal for the appropriation of profits. Following the recommendation of the Audit Committee, the SE Supervisory Board also resolved to propose to the Annual General Meeting the appointment of KPMG as auditors of the annual financial statements and the consolidated financial statements for financial year 2020 and for a possible review of interim financial reports in financial year 2020 and the first quarter of 2021. The report of the Supervisory Board was adopted. The Management Board reported on the preparations for the Annual General Meeting, including the planned change of legal form to a partnership limited by shares (KGaA).

March 24, 2020:

By way of a circular resolution, the SE Supervisory Board adopted the proposed resolutions for the Annual General Meeting to be held on May 13, 2020.

March 31, 2020:

At its extraordinary meeting, the SE Supervisory Board resolved, in view of the restrictions applicable to face-to-face meetings and in order to protect the health of shareholders and employees of the company, to approve the holding of the Annual General Meeting as a virtual general meeting (virtuelle Hauptversammlung) in accordance with the provisions of section 1 (2), sentence 1 and (8), sentence 2 of the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19-pandemic and in accordance with the further terms proposed by the Management Board.

May 13, 2020:

Following the virtual Annual General Meeting, the SE Supervisory Board convened for a constituent meeting and elected Dr. Klaus Esser as chairman of the Supervisory Board and Professor Dr. Daniel Gotthardt as vice chairman of the Supervisory Board. The members of the Supervisory Board Dr. Klaus Esser, Professor Dr. Daniel Gotthardt, Klaus Schrod and Thomas Seifert were appointed as members of the Audit Committee of CompuGroup Medical SE. The SE Supervisory Board was then informed by the Management Board about the further steps towards the change of legal form to CompuGroup Medical SE & Co. KGaA as resolved by the Annual General Meeting.

Report of the Supervisory Board continued

Report of the KGaA Supervisory Board:

The Supervisory Board of CompuGroup Medical SE & Co. KGaA (KGaA Supervisory Board) has performed the duties incumbent upon it under the law, the Articles of Association and the rules of procedure in financial year 2020 after the change of legal form took effect on June 18, 2020. The KGaA Supervisory Board has monitored the management of the company as carried out by the general partner (represented by its Managing Directors). In accordance with its responsibilities, the KGaA Supervisory Board was involved in the key decisions that were of fundamental importance to the company.

The Managing Directors of the general partner have consistently informed the KGaA Supervisory Board in written and oral reports in a timely and comprehensive manner about all important issues of corporate planning and strategic development, about the course of business, the general situation of the Group, including any risks, and about risk management.

The KGaA Supervisory Board received regular reports from the Managing Directors on the measures taken to increase sales revenue and improve earnings, as well as on major, planned and completed company acquisitions, and discussed the potential opportunities and risks of planned transactions in detail with the Managing Directors.

The KGaA Supervisory Board also formed an Audit Committee, to which Matthias Störmer was elected as chairman. In total, the Committee held two meetings in the reporting period since the change of legal form; one further resolution was passed by way of circulation. The Audit Committee discussed, among other things, the general partner's interim financial reports and prepared resolutions of the KGaA Supervisory Board. In their meeting on November 2, 2020, the Audit Committee discussed the focus of the audit with the auditing firm, KPMG.

The KGaA Supervisory Board held eight meetings by video conference in the reporting period; one further resolution was passed by circulation.

May 14, 2020:

The members of the Supervisory Board appointed by the Annual General Meeting on May 13, 2020 who represent the shareholders of the future CompuGroup Medical SE & Co. KGaA met for their constituent meeting and elected Philipp von Ilberg as chairman of the Supervisory Board and Dr. Ulrike Handel as vice chairman of the Supervisory Board.

June 21, 2020:

The KGaA Supervisory Board formed an Audit Committee of four members and initially elected the shareholder representatives Philipp von Ilberg, Professor Dr. Martin Köhrmann and Matthias Störmer as members of the Audit Committee. The shareholder representatives Philipp von Ilberg and Dr. Michael Fuchs were elected members of the company's Joint Committee. Furthermore, the Supervisory Board discussed the preparation of a capital market transaction in which shares in a volume of up to 10 % of the share capital were to be issued and sold thereby excluding shareholders' subscription rights. After reviewing and discussing the aspects of the planned capital measure, the KGaA Supervisory Board approved its further preparation by the general partner.

June 22, 2020:

With regard to the aforementioned capital market transaction, the Supervisory Board discussed the general partner's resolutions on the partial exercise of Authorized Capital 2020 and on the sale of treasury shares thereby excluding the subscription rights of the company's shareholders, and approved the continuation of further preparatory work.

In a second meeting held on the same day, the Supervisory Board discussed the final details of the planned capital market transaction and approved the increase of the share capital by EUR 515,226.00, the placement of treasury shares, the placement price and the exclusion of shareholders' subscription rights. In this context, the Supervisory Board amended the company's Articles of Association accordingly.

June 29, 2020:

At this meeting, the shareholder representatives on the Supervisory Board objected to the fulfilment of the legally required minimum representation of women and men on the Supervisory Board by way of total compliance in accordance with section 96 (2) sentence 3 of the German Stock Corporation Act (AktG).

Report of the Supervisory Board continued

Member/Meeting/Resolution	Audit Committee		
Date	Jan 30, 2020	Mar 16, 2020	May 4, 2020
Dr. Esser, Klaus	yes	yes	yes
Prof. Dr. Gotthardt, Daniel	yes	yes	yes
Schrod, Klaus	yes	yes	yes
Seifert, Thomas	yes	yes	yes

Legal form of CompuGroup Medical SE & Co. KGaA:

Member/Meeting/Resolution	Supervisory Board								
Date	May 14, 2020	Jun 21, 2020	Jun 22, 2020	Jun 29, 2020	Jul 29, 2020	Sep 17, 2020	Oct 28, 2020	Dec 2, 2020	Dec 29, 2020
von Ilberg, Philipp	yes	yes	yes	yes	yes	yes	yes	yes	yes
Müller, Sven Thomas	-	-	-	-	yes	yes	yes	yes	yes
Becker, Andrea	-	-	-	-	yes	yes	yes	yes	yes
Frevel, Claudia	-	-	-	-	yes	yes	yes	yes	yes
Dr. Fuchs, Michael	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dr. Handel, Ulrike	yes	yes	yes	yes	yes	yes	yes	yes	yes
Keller, Ursula	-	-	-	-	yes	yes	yes	yes	yes
Kohl, Volker	-	-	-	-	yes	yes	yes	yes	yes
Prof. Dr. Köhrmann, Martin	yes	yes	yes	yes	no	yes	yes	yes	yes
Störmer, Matthias	yes	yes	yes	yes	yes	yes	yes	yes	yes
Veith, Thomas	-	-	-	-	yes	yes	yes	yes	yes
Dr. Volkens, Bettina	yes	yes	yes	yes	yes	yes	yes	yes	yes

Member/Meeting/Resolution	Audit Committee	
Date	Aug 3, 2020	Nov 2, 2020
von Ilberg, Philipp	yes	yes
Keller, Ursula	yes	yes
Störmer, Matthias	yes	yes
Veith, Thomas	yes	yes

Report of the Supervisory Board continued

Audit of the 2020 financial statements:

The Managing Directors of the general partner submitted to the members of the Audit Committee and the KGaA Supervisory Board the annual financial statements and consolidated financial statements for financial year 2020, the combined management report of CompuGroup Medical SE & Co. KGaA and the entire Group for financial year 2020, the separate non-financial report for the group and the dependency report of the general partner once this had been prepared.

The auditing firm (KPMG) appointed as auditor by the Annual General Meeting of CompuGroup Medical SE on May 13, 2020, confirmed by the general partner, CompuGroup Medical Management SE, after the change of legal form and subsequently appointed by the KGaA Supervisory Board, audited the annual financial statements of CompuGroup Medical SE & Co. KGaA, the consolidated financial statements and the combined management report of CompuGroup Medical SE & Co. KGaA and the group as at December 31, 2020, together with the accounting system, in accordance with the statutory provisions and issued an unqualified audit opinion.

At their meeting on March 15, 2021, the members of the Audit Committee discussed the annual financial statements, the consolidated financial statements, the combined management report of CompuGroup Medical SE & Co. KGaA and the group and the separate non-financial report for the group as well as the auditor's findings. The auditor reported on the main findings of the audit. On this basis, the Audit Committee proposed to the KGaA Supervisory Board to approve the financial statements prepared by the general partner.

The KGaA Supervisory Board took note of the auditor's findings and the recommendation of the Audit Committee. At its meeting on March 16, 2021, the KGaA Supervisory Board was presented with the annual financial statements for financial year 2020 as prepared by the general partner, the consolidated financial statements and the management report of CompuGroup Medical SE & Co. KGaA and the group, as well as the general partner's proposal for the appropriation of net profit, the separate non-financial report for the group and the corresponding auditor's findings. The KGaA Supervisory Board reviewed the documents submitted. Employees of the auditing firm KPMG personally answered all the KGaA Supervisory Board's questions in detail.

The KGaA Supervisory Board acknowledged the auditor's findings and raised no objections.

In accordance with section 171 (2) of the German Stock Corporation Act (AktG), the KGaA Supervisory Board has reviewed and approved the annual financial statements of the parent company and the group, and the management reports of CompuGroup Medical SE & Co. KGaA and the group, in addition to the proposal for the appropriation of net profit and the risk report. In accordance with to section 286 (1) German Stock Corporation Act (AktG), the annual financial statements of CompuGroup Medical SE & Co. KGaA will be forwarded to the company's Annual General Meeting for adoption. The consolidated financial statements were approved. The KGaA Supervisory Board approved the general partner's proposal for the appropriation of profits. The separate non-financial report for was approved.

The general partner submitted its report on relations with associated companies (dependency report) in accordance with section 312 German Stock Corporation Act (AktG), and its declaration in accordance with section 312 (3) German Stock Corporation Act (AktG), to the KGaA Supervisory Board. The auditor has reviewed the dependency report and issued the following opinion on the corresponding findings:

"Based on our audit and assessment, which we have carried out in accordance with professional standards, we hereby confirm that the factual statements made in the report are correct, the company's compensation with respect to the transactions listed in the report was not inappropriately high."

The KGaA Supervisory Board acknowledged and approved the auditor's findings and also reviewed the dependency report. According to the final results of the review by the KGaA Supervisory Board, there are no objections to the declaration by the general partner at the end of the dependency report.

The KGaA Supervisory Board would like to thank all Managing Directors and employees of CompuGroup Medical SE & Co. KGaA and its associated companies for their commitment and hard work in the past financial year.



Philipp von Illberg
(Chairman of the Supervisory Board)