

CompuGroup Medical

Half-Year Financial Report

1 January - 30 June 2022



Financial Highlights for the first half-year of 2022

- Group revenues at 517 mEUR, up 10 % compared to prior year
- Organic revenue growth at 4.2 %, (prior year: 7.5 %), excl. Telematics Infrastructure at 5.0 % (prior year: 3.5 %)
- Recurring revenue share at 69 %
- Adjusted EBITDA increased by 8 % to 105 mEUR
- Adjusted EBITDA margin of 20.3 % (prior year: 20.8 %)
- Free cash flow of 28 mEUR (prior year: 65 mEUR)
- Adjusted earnings per share at 0.82 EUR (prior year: 0.76 EUR)
- Guidance raised for the financial year 2022

Financial key figures

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	Change	01.01.- 30.06.2022	01.01.- 30.06.2021	Change
Revenues	265,047	240,827	+10%	516,696	469,765	+10%
Recurring revenues in %	68%	67%	+1 ppt	69%	68%	+1 ppt
Organic growth in %	3.0%	10.1%	-7.1 ppt	4.2%	7.5%	-3.3 ppt
EBITDA adjusted	53,594	51,034	+5%	105,110	97,565	+8%
EBITDA adjusted margin	20.2%	21.2%	-1.0 ppt	20.3%	20.8%	-0.5 ppt
EPS adjusted (EUR) - diluted	0.40	0.43	-7%	0.82	0.76	+7%
CAPEX	19,217	13,573	+42%	38,439	26,987	+42%
Free cash flow	-36,492	-5,774	+532%	28,117	64,631	-56%
Number of shares outstanding ('000)	52,235	52,735		52,235	52,735	

INTERIM MANAGEMENT REPORT

NOTICES

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 2022 and 2021, 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.

BUSINESS DEVELOPMENT - SIGNIFICANT EVENTS

Changes concerning the Managing Directors

In June 2022 the Administrative Board of CompuGroup Medical Management SE and CEO Dr. Dirk Wössner mutually agreed to end their contract effective June 30, 2022 due to differing views regarding the long-term strategy of the company. CFO Michael Rauch has been appointed as Spokesman of the Managing Directors and as primus inter pares, he has also taken a seat on the Administrative Board.

In addition, the number of Managing Directors has been reduced from seven to five. The former Managing Director Frank Brecher is now reporting to Michael Rauch as Senior Vice President Operational Excellence and will accompany the already initiated transformation towards stronger profitable growth with efficiency and process improvements.

INTERIM MANAGEMENT REPORT

Integration of INSIGHT Health Group

The acquisition of 100 % of the shares in INSIGHT Health Group in Germany, announced in March, was completed at the beginning of May 2022. Founded in 1999, INSIGHT Health offers innovative solutions for market and healthcare research in the German healthcare sector, taking into account the highest level of data protection compliance. Its customers include well-known companies in the pharmaceutical industry, pharmacies, doctors' associations, health insurance companies, and scientific and political institutions.

Insight Health Group and other acquisitions are described in more detail in the section on company acquisitions and disposals.

Additional financing line

In June 2022, CGM entered into an additional credit line of mEUR 200 with the European Investment Bank (EIB) with a maturity until July 11, 2028. The European Investment Bank is financing up to 50 % of CGM's research and development costs with the additional credit line on an assigned basis.

War in Ukraine

The war in Ukraine has been ongoing with no impact on CGM's recognition and measurement of assets and liabilities as at the reporting date. However, effects on the net assets, financial position and results of operations in 2022 cannot be ruled out completely at the present time.

INTERIM MANAGEMENT REPORT

EARNINGS DEVELOPMENT IN THE GROUP

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
Revenues	265,047	240,827	516,696	469,765
Capitalized inhouse services and other income	18,220	13,316	30,207	23,580
Expenses for goods and services purchased	-48,830	-43,028	-88,693	-84,480
Personnel expenses	-137,104	-122,269	-270,215	-236,750
Other expenses and net impairment losses on financial and contract assets	-53,380	-38,118	-97,462	-77,014
EBITDA	43,953	50,728	90,533	95,100
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	-26,139	-24,519	-53,354	-51,342
EBIT	17,814	26,209	37,179	43,758
Financial result	379	-1,308	7,273	-2,777
EBT	18,193	24,900	44,452	40,981
Income taxes for the period	-6,079	-7,717	-14,098	-12,798
CONSOLIDATED NET INCOME FOR THE PERIOD	12,113	17,184	30,355	28,182

Compared to same period of the prior year, revenues in the first half of 2022 increased by mEUR 47 (10 %) to mEUR 517. Organic growth in the first half of 2022 amounted to 4 % compared to the prior year.

Compared to the prior year quarter, revenues in the second quarter increased by mEUR 24 (10 %) to mEUR 265. Organic growth in the second quarter of 2022 amounted to 3 % year-on-year.

Adjusted group EBITDA for the first half of 2022 amounted to mEUR 105 (prior year: mEUR 98) with an adjusted EBITDA margin of 20.3 % (prior year: 20.8 %).

Adjusted consolidated earnings before interest, taxes, depreciation, and amortization (adjusted group EBITDA) for the second quarter 2022 amounted to mEUR 54 (prior year: mEUR 51) with an adjusted EBITDA margin of 20.2 % (prior year: 21.2 %).

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

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
EBITDA REPORTED	43,953	50,728	90,533	95,100
Adjustments:				
M&A Transactions	54	677	1,439	751
Share-based option programs*	-666	-372	955	1,714
Restructuring program expenses	3,401	0	3,401	0
Other non-operative, extraordinary or one-time effects**	6,853	0	8,782	0
EBITDA ADJUSTED	53,594	51,034	105,110	97,565

* Includes one-time effects relating to management changes

** Costs in the context of the cyber attack as well as management changes

INTERIM MANAGEMENT REPORT

The main developments in operating expenses were:

- For the first half of 2022, expenses for goods and services purchased amounted to mEUR 89 (prior year: mEUR 85). The gross margin ((Revenues less cost of purchased services)/revenue) reached 83 %, which was 1 % above the prior year. In the second quarter of 2022, expenses for goods and services purchased increased by mEUR 6 in the second quarter of 2022 compared to the prior year. This was mainly due to increased expenses resulting from acquisitions in the amount of mEUR 3. The gross margin of 82 % was at the same level as the gross margin of the prior year quarter.
- In the first six months, personnel expenses increased by mEUR 33 to mEUR 270, of which mEUR 14 resulted from acquisitions. The increase in personnel expenses was mainly due to new hires and salary increases. Adjusted for one-time effects the increase was mEUR 30. In the second quarter of 2022, personnel expenses increased by 12 % to mEUR 137 compared to prior year (prior year: mEUR 122). Acquisitions accounted for a total of mEUR 7. New hires as well as general wage and salary increases also contributed to the increase. Adjusted for one-time effects the increase was mEUR 12.
- Other expenses and net impairment losses on financial and contract assets in the first half of the year were mEUR 98 and mEUR 20 above the prior year. Adjusted for special effects of M&A costs, restructuring and other one-time effects, the increase amounted to mEUR 12 versus the prior year. In the second quarter of 2022, other expenses and net impairment losses on financial and contract assets were mEUR 15 higher than in the prior year and amounted to mEUR 53. Adjusted for special effects of M&A costs, restructuring and other one-time effects, other expenses and net impairment losses on financial and contract assets were mEUR 8 higher than the prior year. The reason for this increase was mainly due to higher expenses for contracted development and higher travel costs.

Depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 21 for the first half of 2022, which was an increase of mEUR 3 compared to prior year. Amortization of intangible assets decreased by mEUR 1 to mEUR 33 in the first half of the year.

In the second quarter of 2022, depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 11, which reflects an increase of mEUR 2 (prior year: mEUR 9). The increase in depreciation of non-current assets was mainly due to higher depreciation on right-of-use assets (IFRS 16) and increased depreciation of own-used IT equipment. Amortization of intangible assets remained with mEUR 15 in the second quarter on the level of prior year quarter.

Amortization of intangible assets breaks down as follows:

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
AMORTIZATIONS ON INTANGIBLE ASSETS	15,163	15,453	32,718	33,988
thereof from purchase price allocations for business combinations	11,942	11,803	23,222	23,144
thereof from capitalized inhouse services	2,312	1,760	4,681	7,059

INTERIM MANAGEMENT REPORT

The financial result is structured as follows:

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
Interest and other expenses on loans and financial services	-2,247	-1,572	-4,497	-2,850
Changes in purchase price liabilities	-550	-94	-1,380	-504
Exchange rate losses on internal liabilities in foreign currency	0	85	0	0
Capitalized interest on qualifying assets under construction (IAS 23)	298	168	498	344
Bank interest	115	143	238	295
Currency gains	58	348	1,383	348
Interest rate cap	3,328	0	12,023	0
Other	-624	-386	-992	-421
TOTAL	378	-1,308	7,273	-2,788

Consolidated net income for the first half-year was mEUR 30, mEUR 2 higher than last year. Group tax rate for the first six months was 32 % (prior year: 31 %).

In the second quarter of 2022, consolidated net income amounted to mEUR 12 compared to mEUR 17 in the same period of the prior year. The group tax rate for the second quarter was 33 % compared to 31 % in the second quarter of last year.

Adjusted earnings per share were as follows:

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
CONSOLIDATED NET INCOME OF THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	12,066	17,163	30,275	28,138
Adjustments:				
M&A Transactions	6,112	6,714	12,784	12,313
Share-based option programs*	-1,954	-230	-421	1,679
Restructuring program expenses	2,381	0	2,381	0
Other non-operative, extraordinary or one-time effects**	2,328	0	-2,408	0
ADJUSTED CONSOLIDATED NET INCOME FOR THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	20,933	23,647	42,611	42,131
ADJUSTED UNDILUTED EARNINGS PER SHARE (IN EUR)	0.40	0.45	0.82	0.79
ADJUSTED DILUTED EARNINGS PER SHARE (IN EUR)	0.40	0.43	0.82	0.76
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)***	52,234	52,877	52,237	53,203
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)***	52,234	54,868	52,237	55,383

* Includes one-time effects relating to management changes

** Costs in the context of the cyber attack as well as changes in management

*** Weighted average number of outstanding shares for the quarter calculated from the earnings per shares for the quarter

INTERIM MANAGEMENT REPORT

EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS

Ambulatory Information Systems (AIS)

mEUR	01.04 - 30.06.2022*	01.04 - 30.06.2021	Change	01.01 - 30.06.2022*	01.01 - 30.06.2021	Change
Revenues to third parties	122.8	114.7	7%	242.5	227.0	7%
Share of recurring revenues	77%	76%		78%	77%	
EBITDA adjusted	33.2	28.6	16%	61.3	58.4	5%
in % of revenues	27%	25%		25%	26%	

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

- The software business with physicians and dentists achieved revenues of mEUR 242 in the first half of 2022, which represents an increase of 7 % compared to the prior year. The revenues in the second quarter increased to mEUR 123, which represents an increase of 7 % compared to the prior year.
- This increase is supported by currency effects and last years acquisitions of Aatlanta group in France and PortaVita in the Netherlands.
- Inorganic effects to revenues were mEUR 10 for the first half-year and mEUR 6 for the second quarter, respectively.
- Organically, revenues increased by 2 % in both, the first half of the year and the second quarter, due to additional sales of software modules to doctors in Germany and Austria and a positive business development in the USA.
- Recurring revenues in the AIS segment increased by 8 % in the first half-year, and in the second quarter the increase was 9 %.
- At the same time, adjusted EBITDA increased by 5 % to mEUR 61 in the first half-year and by 16 % to mEUR 33 in the second quarter.

Hospital Information Systems (HIS)

mEUR	01.04 - 30.06.2022*	01.04 - 30.06.2021	Change	01.01 - 30.06.2022*	01.01 - 30.06.2021	Change
Revenues to third parties	70.0	62.1	13%	136.6	117.2	17%
Share of recurring revenues	67%	63%		68%	65%	
EBITDA adjusted	11.1	13.3	-16%	16.9	20.9	-19%
in % of revenues	16%	21%		12%	18%	

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

- In the first half-year 2022, revenues of HIS segment increased by 17 % to mEUR 137. In the second quarter, sales increased by 13 % to mEUR 70.
- Revenue growth was positively influenced by the acquisitions of the Visus Group and KMS Vertrieb und Services AG in financial year 2021.

INTERIM MANAGEMENT REPORT

- Adjusted for inorganic effects of mEUR 12 in the first half of the year, organic growth was 7 %. In the second quarter, inorganic effects amounted to mEUR 5, while organic growth was 4 %.
- The positive development is mainly due to the good performance of the German hospital business.
- Recurring revenues increased to MEUR 93 in the first half of the year, corresponding to 68 % of total revenues. In the second quarter, recurring revenues increased to mEUR 47, representing 67 % of total revenues.
- Adjusted EBITDA for the first half of the year was mEUR - 17, down - 19 % year-on-year. In the second quarter, adjusted EBITDA fell slightly from mEUR 13 to mEUR 11. The decrease is due in particular to continued investments and preparation of projects in connection with the Hospital Future Act in Germany and the rollout of G3 technology.

Consumer and Health Management Information Systems (CHS)

mEUR	01.04 - 30.06.2022*	01.04 - 30.06.2021	Change	01.01 - 30.06.2022*	01.01 - 30.06.2021	Change
Revenues to third parties	40.6	35.5	14%	76.0	69.2	10%
Share of recurring revenues	45%	40%		46%	42%	
EBITDA adjusted	3.3	5.7	-42%	10.8	10.9	-1%
in % of revenues	8%	16%		14%	16%	

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

- In the first six months of 2022, CHS segment generated revenues of mEUR 76. Revenues in the second quarter increased by 14 % to mEUR 41. Excluding Telematics Infrastructure, organic growth was at 13 % for the first half year and the second quarter, respectively.
- Organic growth excluding Telematics Infrastructure resulted from a very good development in the data business, particularly with insurance solutions.
- In the second quarter, recurring revenues amounted to mEUR 18, representing 45 % of total revenues, mainly due to the INSIGHT Health acquisition.
- Adjusted EBITDA was on a par with the previous year at mEUR 11 in the first half of the year. In the second quarter, adjusted EBITDA amounted to mEUR 3, down mEUR 2 year-on-year.

INTERIM MANAGEMENT REPORT

Pharmacy Information Systems (PCS)

mEUR	01.04 - 30.06.2022*	01.04 - 30.06.2021	Change	01.01 - 30.06.2022*	01.01 - 30.06.2021	Change
Revenues to third parties	31.6	28.4	11%	61.6	56.3	9%
Share of recurring revenues	65%	69%		67%	70%	
EBITDA adjusted	10.2	8.4	21%	17.8	16.4	9%
in % of revenues	32%	29%		29%	29%	

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

- In the first half-year 2022, revenues in PCS segment increased by 9 % to mEUR 62. Revenues in the second quarter amounted to mEUR 32, up 11 % on the prior year.
- This positive business performance resulted from strong new customer business and higher hardware sales.
- Adjusted for inorganic effects of mEUR 1 for the first half year as well as the second quarter, the PCS segment achieved an organic growth of 8 % and 9 %, respectively.
- Recurring revenues in the PCS segment increased by 5 % to mEUR 41 in the first half of the year compared to the same period of the previous year. In the second quarter, recurring revenues amounted to mEUR 20 and thus also increased by 5 %.
- Adjusted EBITDA in the first half of the year was mEUR 18, up 9 % on the prior-year period. In the second quarter, adjusted EBITDA amounted to mEUR 10 and was up 21 % year-on-year. The main reason for this positive development is an efficient cost management.

Other segments and consolidation

mEUR	01.04 - 30.06.2022*	01.04 - 30.06.2021	Change	01.01 - 30.06.2022*	01.01 - 30.06.2021	Change
EBITDA adjusted	-4.1	-5.0	17%	-1.7	-9.0	81%

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

- Adjusted EBITDA in other business activities and consolidation was mEUR 7 higher than in the first half-year of the prior year and in second quarter mEUR 1 above prior year comparison.
- The adjusted special items for first half of 2022 amounted to mEUR 7 (second quarter 2022: mEUR 4) and were mainly attributable to extraordinary effects related to management changes and stock option programs.

INTERIM MANAGEMENT REPORT

Staff Development

Staff Development	30.06.2022	30.06.2021	31.12.2021
Number of employees (HC)	9,118	8,468	8,917*
thereof from acquisitions at time of acquisition	180	272	438
Full-time equivalent (FTE)**	8,734	8,030	8,530*

* Prior year figure adjusted.

** 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 201 employees compared with the end of 2021, of which 180 employees resulted from acquisitions. The number of FTEs increased by 204 compared with the end of the year.

NET ASSETS OF THE GROUP

kEUR	30.06.2022		31.12.2021		Changes	
Non-current assets	1,519,145	79%	1,420,035	79%	99,110	7%
Current assets	411,087	21%	370,778	21%	40,309	11%
TOTAL ASSETS	1,930,232	100%	1,790,813	100%	139,419	8%

kEUR	30.06.2022		31.12.2021		Changes	
Equity	625,963	32%	612,284	34%	13,679	2%
Non-current liabilities	829,918	43%	780,184	44%	49,734	6%
Current liabilities	474,351	25%	398,345	22%	76,006	19%
TOTAL LIABILITIES	1,930,232	100%	1,790,813	100%	139,419	8%

CGM's total assets increased by 8 % as of June 30, 2022, which corresponds to an increase of mEUR 139 to mEUR 1,930.

The largest changes in assets were as follows:

- Increase in intangible assets by mEUR 85 to mEUR 1,300 mainly due to acquisitions as well as the capitalization of self developed software.
- Increase in inventory by mEUR 9 to mEUR 29, mainly due to advance payments related to the new connector generation.
- Increase in non-current other financial assets by mEUR 12 to mEUR 28, mainly due to the interest rate cap.
- Increase in current other non-financial assets by mEUR 7 to mEUR 34. This was mainly coming from prepaid expenses.
- Increase in cash & cash equivalents by mEUR 13 to mEUR 120.

All other assets were subject to minor changes in absolute figures as of the first half of 2022.

INTERIM MANAGEMENT REPORT

Group equity increased from mEUR 612 as of December 31, 2021 to mEUR 626 as of June 30, 2022. This increase is next to the consolidated net income for the period mainly due to positive currency conversion effects and offset by paid dividends.

The following significant changes occurred in current and non-current liabilities compared to year-end 2021:

- Increase of current and non-current liabilities to banks by mEUR 89 to mEUR 764 due to borrowings.
- Increase of current contract liabilities by mEUR 45 to mEUR 125. This increase was mainly due to advance payments for software maintenance contracts.

All other assets were subject to minor changes in absolute figures as of the first half of 2022.

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	01.04.- 30.06.2022	01.04.- 30.06.2021	Changes	01.01.- 30.06.2022	01.01.- 30.06.2021	Changes
OPERATING CASH FLOW	-17,275	7,799	-25,074	66,556	91,618	-25,062
CASH FLOW FROM INVESTING ACTIVITIES	-69,375	-87,148	17,773	-92,714	-101,731	9,017
FREE CASH FLOW	-36,492	-5,774	-30,718	28,117	64,631	-36,514
CASH FLOW FROM FINANCING ACTIVITIES	76,555	81,465	-4,910	38,853	24,206	14,647
CHANGE IN CASH AND CASH EQUIVALENTS	-10,095	2,116	-12,211	12,695	14,093	-1,398
Changes due to exchange rate fluctuations	-1,201	-483	-718	28	470	-442
Cash and cash equivalents at the beginning of the period	131,362	88,840	42,522	107,343	75,910	31,433
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	120,066	90,473	29,593	120,066	90,473	29,593
NET DEBT*				708,557	599,032	109,525
LEVERAGE (LTM)**				2.99	2.55	0.44

* 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 adjusted/pro forma (LTM) plus pro rata EBITDA of newly acquired companies

At mEUR 28, free cash flow in the first six months was mEUR 37 lower than in the same period last year.

In the second quarter of 2022, free cash flow amounted to mEUR - 36 compared to mEUR - 6 in the same period of the prior year.

The decline in free cash flow in the reporting period compared to the free cash flow in the same period of the prior year resulted mainly from payments for the upcoming connector exchange.

INTERIM MANAGEMENT REPORT

The derivation of free cash flow is shown below:

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
OPERATING CASH FLOW	-17,275	7,799	66,556	91,618
CASH FLOW FROM INVESTING ACTIVITIES	-69,375	-87,148	-92,714	-101,731
./. Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	48,033	66,178	51,550	67,347
./. Cash outflow for acquisitions from prior periods	2,125	4,452	2,125	4,452
./. Cash inflow from the disposal of subsidiaries and business units	0	-400	0	-400
./. Cash outflow for capital expenditures in joint ventures and other equity investments	0	3,345	600	3,345
FREE CASH FLOW	-36,492	-5,774	28,117	64,631

Cash flow from investing activities amounted to mEUR - 69 in the second quarter of 2022, compared to mEUR - 87 in the same period in prior year. For the first six months of 2022 the cash flow from investing activities was mEUR - 93 (prior year: mEUR - 102).

The investments are shown below:

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021
Company acquisition	-48,033	-66,178	-51,550	-67,347
Purchase of minority interest and past acquisition	-2,125	-4,452	-2,125	-4,452
Capitalized in-house services and other intangible assets	-13,806	-9,363	-25,387	-18,612
Joint ventures and other equity investments	0	-3,345	-600	-3,345
Office building and property	-1,371	-948	-2,323	-1,119
Other property and equipment	-4,040	-3,263	-9,178	-7,256
Sale of subsidiaries and business operations	0	400	0	400
TOTAL	-69,375	-87,148	-92,714	-101,731

In the first half of 2022, financing activities generated cash inflows of mEUR 39 (prior year: mEUR 24).

Cash flow from financing activities amounted to mEUR 77 in the second quarter of 2022 (prior year: mEUR 81). The mEUR 4 lower cash flow from financing activities was largely due to a mEUR 46 higher repayment of loans. This was offset by a mEUR 30 effect from the buyback of treasury shares in the second quarter of 2021.

As of June 30, 2022, cash and cash equivalents amounted to mEUR 120 (prior year: mEUR 90). The reported cash and cash equivalents also include restricted cash.

Net debt as at June 30, 2022 was mEUR 709, mEUR 75 higher than the net debt of mEUR 634 as at December 31, 2021. Leverage was 2.99 (December 31, 2021: 2.80) and thus met the requirements of the existing credit agreement.

INTERIM MANAGEMENT REPORT

REPORT ON OPPORTUNITIES AND RISKS

CGM is excellently positioned to take advantage of the opportunities offered by modern information technology, achieve efficiency gains, reduce costs, optimize workflows and improve services for patients. The healthcare market is growing - even under difficult conditions - and CGM is one of the world's leading e-health providers. CGM has an outstanding customer base of physicians, dentists, hospitals and pharmacies around the world. CGM has structural, long-term growth opportunities and has a solid, resilient market position. The e-health market has enormous potential overall.

The Group's opportunities in the 1st half of 2022 compared with the prior year were not subject to any significant changes and continue to be seen as consistently positive.

As a company with international operations, CompuGroup Medical is exposed to a number of risks. These risks include, in particular, strategic and macroeconomic risks as well as operational, legal and political risks. Furthermore, the group is exposed to risks arising from project business, key personnel and financial risks.

The technological capabilities and market knowledge within the group are suitable for assessing risks and taking adequate measures to manage risks. The early identification, analysis and careful handling of risks is ensured at CompuGroup Medical by a uniform risk management system integrated throughout the group. The design of the risk management system and a description of the material risks were explained in detail in the Annual Report 2021, which can be downloaded at www.cgm.com.

The war in the Ukraine, which began in the first quarter of financial year 2022, has led to one-time effects, such as the termination of marginally business relationships in Russia and the relocation of development activities of a service provider from the Ukraine to other countries. CGM is not exposed to any other direct risks in these countries that could threaten its continued existence. Indirect effects, such as inflation in general or the increase in energy prices in particular, as well as the expected changes in key interest rates by the European Central Bank (ECB), are being monitored, but are currently not classified as a threat to the continued existence of the company. CGM is not directly dependent on natural gas.

Neither the events described above nor other changes have resulted in risks in the form of individual risks or combination effects that threaten the continued existence of the company.

INTERIM MANAGEMENT REPORT

GUIDANCE FOR CGM GROUP

Group

CompuGroup Medical is raising its guidance for revenues, organic growth and adjusted EBITDA published on March 10, 2022:

For 2022, CGM now expects revenues in a range of mEUR 1,100 to mEUR 1,150, compared to mEUR 1,075 to mEUR 1,125 previously, corresponding to revenue growth of 7 % to 12 % (previously: 5 % to 10 %).

Recurring revenues are expected to be unchanged above 65 %.

Organic growth is now expected in a range of 4 % and 8 % (previously: 3 % and 8 %).

Adjusted EBITDA is now expected in a range of mEUR 240 to mEUR 260 (previously: mEUR 235 to mEUR 260).

Adjusted earnings per share (diluted) are unchanged expected to be between EUR 1.90 and EUR 2.10.

Capex is unchanged expected to be in the range of mEUR 70 to mEUR 80.

Free cash flow is unchanged expected to be exceeding mEUR 100.

Segments

- AIS revenues are unchanged expected to range between mEUR 490 and mEUR 510, corresponding to growth in the range of 3 % to 7 %.
- The HIS segment is anticipated to generate revenue in a range between mEUR 280 to mEUR 295, corresponding to growth in the range of 9 % to 15 %.
- The CHS segment is now - mainly due to the acquisition of INSIGHT Health Group - expected to generate revenue between mEUR 210 and mEUR 220 (previously: mEUR 185 to mEUR 195) corresponding to growth in the range of 21 % to 26 % (previously: 7 % to 12 %).
- The PCS segment is forecast unchanged to generate revenue between mEUR 120 and mEUR 125, corresponding to growth in the range of 2 % to 6 %.

The above guidance for the current financial year does not take into account any effects from company acquisitions not yet completed at that date or potential transactions to be carried out in the course of financial year 2022. The guidance for 2022 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 in the implementation of the Telematics Infrastructure that are beyond the control of the company. In addition, the consequences of the global COVID-19 pandemic and other effects like the war in the Ukraine are not fully calculable. The guidance for 2022 could also be influenced by foreign exchange effects (especially changes in the USD/EUR conversion rate).

Interim Statement of Financial Position

as at 30 June 2022

ASSETS

kEUR	30.06.2022	30.06.2021	31.12.2021
Non-current assets			
Intangible assets	1,299,797	1,156,712	1,214,347
Property, plant and equipment	104,161	93,702	100,070
Right-of-use assets	57,422	49,109	57,930
Investments in associates and joint ventures (valued at-equity)	3,013	16,501	5,483
Other investments	3,125	642	3,123
Finance lease receivables	16,931	13,510	17,048
Contract assets	0	25	0
Other financial assets	28,049	13,770	15,910
Other non-financial assets	1,200	1,200	1,200
Deferred taxes	5,447	5,670	4,924
	1,519,145	1,350,841	1,420,035
Current assets			
Inventories	29,375	21,064	20,642
Trade receivables	153,496	136,295	147,227
Finance lease receivables	9,129	9,570	8,757
Contract assets	27,584	21,643	26,566
Other financial assets	5,689	982	2,719
Other non-financial assets	34,250	36,714	26,971
Income tax receivables	31,498	16,365	30,553
Cash & cash equivalents	120,066	90,473	107,343
	411,087	333,106	370,778
	1,930,232	1,683,947	1,790,813

Interim Statement of Financial Position

as at 30 June 2022

SHAREHOLDER EQUITY AND LIABILITIES

kEUR	30.06.2022	30.06.2021	31.12.2021
Equity			
Subscribed capital	53,735	53,735	53,735
Treasury shares	-105,205	-71,353	-98,796
Reserves	676,484	593,929	657,135
Capital and reserves allocated to the shareholders of the parent company	625,014	576,311	612,074
Non-controlling interests	949	314	210
	625,963	576,625	612,284
Non-current liabilities			
Provisions for post-employment benefits and other non-current provisions	41,441	47,451	40,628
Liabilities to banks	629,505	558,314	582,441
Contract liabilities	8,243	6,236	9,307
Purchase price liabilities	7,609	3,807	4,262
Lease liabilities	37,805	28,564	38,544
Other financial liabilities	2,399	6,958	4,640
Other non-financial liabilities	40	1,202	37
Deferred taxes	102,876	90,234	100,325
	829,918	742,766	780,184
Current liabilities			
Liabilities to banks	134,347	71,837	92,476
Contract liabilities	124,789	118,064	79,086
Purchase price liabilities	18,355	8,730	7,453
Trade payables	80,792	57,749	93,193
Income tax liabilities	10,687	8,576	18,675
Other provisions	49,166	45,796	51,756
Lease liabilities	20,043	19,365	18,673
Other financial liabilities	11,536	10,195	15,130
Other non-financial liabilities	24,636	24,242	21,903
	474,351	364,556	398,345
	1,930,232	1,683,947	1,790,813

Interim Income Statement

for the reporting period of 1 January – 30 June 2022

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021	01.01.- 31.12.2021
Revenues	265,047	240,827	516,696	469,765	1,025,322
Capitalized inhouse services	11,913	8,064	22,785	15,941	37,294
Other income	6,307	5,252	7,422	7,638	24,771
Expenses for goods and services purchased	-48,831	-43,028	-88,693	-84,480	-191,426
Personnel expenses	-137,104	-122,269	-270,215	-236,750	-497,723
Net impairment losses on financial and contract assets	-56	-865	-326	-1,736	-7,378
Other expenses	-53,324	-37,253	-97,136	-75,278	-177,470
Earnings before interest, taxes, depreciation and amortization (EBITDA)	43,953	50,728	90,533	95,100	213,390
Depreciation of property, plant and equipment and right-of-use assets	-10,976	-9,066	-20,636	-17,353	-37,837
Earnings before interest, taxes and amortization (EBITA)	32,976	41,662	69,897	77,747	175,553
Amortization of intangible assets	-15,163	-15,453	-32,718	-33,988	-72,876
thereof from purchase price allocations	-11,942	-11,803	-23,222	-23,144	-48,900
Earnings before interest and taxes (EBIT)	17,814	26,209	37,179	43,758	102,677
Result from companies accounted for using the equity method	0	0	0	11	33
Financial income	3,709	589	13,859	749	3,854
Financial expenses	-3,330	-1,897	-6,585	-3,537	-8,690
Earnings before taxes (EBT)	18,193	24,900	44,452	40,981	97,874
Income taxes for the period	-6,079	-7,717	-14,098	-12,798	-28,842
Consolidated net income for the period	12,113	17,184	30,355	28,182	69,032
of which: allocated to shareholders of the parent company	12,066	17,163	30,275	28,138	68,970
of which: allocated to non-controlling interests	48	20	79	44	62
Earnings per share (from continuing operations)					
undiluted (EUR)	0.23	0.33	0.58	0.53	1.30
diluted (EUR)	0.23	0.31	0.58	0.51	1.30

Interim Statement of Comprehensive Income

for the reporting period of 1 January – 30 June 2022

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021	01.01.- 31.12.2021
Consolidated net income for the period	12,114	17,183	30,355	28,182	69,032
Items that will not be reclassified to profit or loss:					
Actuarial gains and losses arising from post-employment benefits	0	-2,703	0	-2,301	6,118
Change in actuarial gains and losses	0	-3,648	0	-3,092	7,152
Deferred income taxes for the period	0	945	0	792	-1,033
Items that may be reclassified to profit or loss:					
Cashflow Hedges	-66	0	-66	0	0
Changes in equity	-95	0	-95	0	0
Deferred income taxes for the period	29	0	29	0	0
Currency conversion differences	13,717	-2,525	18,715	7,925	18,984
Changes in equity	13,717	-2,525	18,715	7,925	18,984
Operating income and expense recognized directly in equity (Other comprehensive income)	13,651	-5,228	18,649	5,624	25,102
Total comprehensive income	25,764	11,955	49,004	33,806	94,134
of which: allocated to shareholders of the parent company	25,717	11,935	48,925	33,762	94,072
of which: allocated to non-controlling interests	47	21	79	44	62

Cash Flow Statement

as at 30 June 2022

kEUR	01.04.- 30.06.2022	01.04.- 30.06.2021	01.01.- 30.06.2022	01.01.- 30.06.2021	01.01.- 31.12.2021
Consolidated net income for the period	12,114	17,183	30,355	28,182	69,032
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	26,138	24,519	53,354	51,342	110,713
Earnings on sale of fixed assets	-87	-27	-144	-45	-1,689
Change in provisions (including income tax liabilities)	-9,556	-12,399	-11,025	-13,703	-7,147
Deferred tax income/expense	-109	-1,058	3,092	-334	-4,665
Other non-cash earnings/ expenditures	-10,856	-1,515	-12,067	1,302	-5,391
	17,644	26,703	63,565	66,744	160,853
Change in inventories	-6,371	-6,302	-8,720	-2,732	-2,280
Change in trade receivables and other receivables	32,707	21,328	3,044	269	-7,703
Change in income tax receivables	-1,722	-1,172	-757	185	-14,008
Change in other receivables	-2,511	200	-17,585	-12,509	-5,824
Change in trade payables	-18,095	-392	-15,936	-11,327	23,911
Change contract liabilities	-29,299	-21,458	44,677	46,758	6,654
Change in other liabilities	-9,628	-11,108	-1,732	4,230	3,671
Operating cash flow	-17,275	7,799	66,556	91,618	165,274
Cash outflow for capital expenditure in intangible assets	-13,806	-9,363	-25,387	-18,612	-44,393
Cash inflow from disposals of property, plant and equipment	230	323	293	571	7,276
Cash outflow for capital expenditure in property, plant and equipment	-5,641	-4,533	-13,345	-8,946	-27,049
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	-48,033	-66,178	-51,550	-67,347	-88,507
Cash outflow for acquisitions from prior periods	-2,125	-4,452	-2,125	-4,452	-5,650
Cash inflow from the disposal of subsidiaries and business units	0	400	0	400	400
Cash outflow for capital expenditures in joint ventures and other equity investments	0	-3,345	-600	-3,345	-6,053
Cash flow from investing activities	-69,375	-87,148	-92,714	-101,731	-163,976
Buyback of own shares	0	-30,067	-9,109	-71,353	-96,096
Dividend paid	-26,117	-26,367	-26,117	-26,367	-26,367
Capital paid to non-controlling interests	0	0	0	0	-169
Acquisition of additional shares from non-controlling interests	0	0	-17	0	-10
Downpayment of lease liabilities	-5,779	-5,005	-11,405	-9,712	-21,144
Cash inflow from borrowing of loans	175,992	164,894	346,447	207,857	265,081
Cash outflow from the repayment of loans	-67,541	-21,990	-260,946	-76,219	-91,142
Cash flow from financing activities	76,555	81,465	38,853	24,206	30,153
Cash and cash equivalents at the beginning of the period	131,362	88,840	107,343	75,910	75,910
Change in cash and cash equivalents	-10,095	2,116	12,695	14,093	31,451
Changes due to exchange rate fluctuations	-1,201	-483	28	470	-18
Cash and cash equivalents at the end of the period	120,066	90,473	120,066	90,473	107,343
Interest paid	880	1,854	2,972	2,246	4,178
Interest received	154	341	324	535	560
Income taxes paid	14,922	15,660	25,191	20,739	49,280

Changes in Consolidated Equity

as at 30 June 2022

kEUR	Subscribed capital	Treasury shares	Reserves	Accumulated other comprehensive income		Equity attributable to shareholders of CGM SE & Co. KGaA	Non-controlling interest	Consolidated equity
				Cashflow Hedges	Currency translation			
Balance as at 01.01.2022	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
Changes in the fair value of cashflow hedges	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 30.06.2022	53,735	-105,205	665,180	-66	11,370	625,014	949	625,963

kEUR	Subscribed capital	Treasury shares	Reserves	Accumulated other comprehensive income		Equity attributable to shareholders of CGM SE & Co. KGaA	Non-controlling interest	Consolidated equity
				Currency translation				
Balance as at 01.01.2021	53,735	0	611,259	-26,328		638,667	270	638,937
Consolidated net income for the period	0	0	28,138	0		28,138	44	28,182
Other comprehensive income	0	0	-2,301	7,925		5,624	0	5,624
Actuarial gains and losses	0	0	-2,301	0		-2,301	0	-2,301
Currency conversion differences	0	0	0	7,925		7,925	0	7,925
Total comprehensive income	0	0	25,837	7,925		33,762	44	33,806
Transactions with shareholders	0	-71,353	-24,765	0		-96,118	0	-96,118
Dividend distribution	0	0	-26,367	0		-26,367	0	-26,367
Stock option program	0	0	1,602	0		1,602	0	1,602
Buyback of treasury shares	0	-71,353	0	0		-71,353	0	-71,353
Balance as at 30.06.2021	53,735	-71,353	612,331	-18,402		576,311	314	576,625

Segment reporting

as at 30 June 2022

kEUR	Segment AIS Ambulatory Information Systems			Segment HIS Hospital Information Systems			Segment CHS Consumer and Health Manage- ment Information Systems			Segment PCS Pharmacy Information Systems		
	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021
	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	242,469	226,967	475,846	136,630	117,227	257,426	76,002	69,190	173,664	61,571	56,336	118,240
thereof Software license	20,982	21,329	50,298	15,461	11,695	30,818	556	450	990	2,488	2,272	4,803
thereof Hardware	10,515	10,592	21,945	4,357	5,568	12,481	7,788	13,574	51,374	11,694	10,103	25,196
thereof Professional Services	17,657	17,211	35,445	23,228	23,106	48,013	5,578	6,039	15,237	5,472	4,418	9,195
thereof Software Maintenance & hotline	137,611	125,219	259,373	68,823	57,753	123,488	7,106	5,277	11,881	20,510	18,983	38,241
thereof Other recurring revenues	51,072	49,125	100,705	24,556	19,007	42,194	27,800	23,482	50,194	20,833	20,352	40,375
thereof Advertising, eDetailing and Data	381	288	765	0	0	3	26,149	19,748	42,136	275	134	293
thereof Other revenues	4,251	3,202	7,315	206	97	430	1,025	621	1,851	299	74	138
Point in time of revenue recognition												
at a specific point in time	16,422	16,055	33,052	6,816	8,092	18,152	8,883	14,286	53,404	12,751	10,766	26,756
over a period of time	226,047	210,913	442,794	129,814	109,135	239,274	67,118	54,904	120,260	48,820	45,571	91,485
	242,469	226,967	475,846	136,630	117,227	257,426	76,002	69,190	173,664	61,571	56,336	118,240
thereof recurring revenues	188,684	174,344	360,078	93,379	76,760	165,681	34,906	28,759	62,076	41,343	39,335	78,616
Revenues between segments	26,788	24,678	59,966	2,916	3,119	4,274	12,792	7,005	15,784	1,539	1,498	5,001
Segment Revenues	269,257	251,645	535,812	139,546	120,346	261,699	88,794	76,195	189,448	63,111	57,834	123,242
Capitalized inhouse services	6,870	2,547	7,397	8,775	7,941	17,775	4,963	3,780	7,568	2,177	1,674	4,555
Other income	7,125	3,692	7,084	1,953	4,330	9,894	621	250	1,613	891	1,222	1,577
Expenses for goods and ser- vices purchased	-61,832	-54,340	-122,795	-21,238	-20,978	-46,928	-36,853	-33,527	-77,410	-15,726	-14,911	-32,934
Personnel costs	-110,441	-101,581	-212,385	-80,598	-67,402	-143,748	-27,741	-21,478	-46,524	-23,272	-21,129	-43,572
Other expenses	-54,390	-44,180	-98,375	-32,325	-23,517	-55,722	-20,453	-14,296	-34,804	-9,816	-8,336	-19,168
EBITDA	56,589	57,783	116,738	16,114	20,720	42,970	9,330	10,924	39,891	17,365	16,354	33,699
in % of revenues	23.3%	25.5%	24.5%	11.8%	17.7%	16.7%	12.3%	15.8%	23.0%	28.2%	29.0%	28.5%
Depreciation of property, plant and equipment and right-of-use assets												
Amortization of intangible assets												
EBIT												
Results from associates recognized at equity												
Financial income												
Financial expense												
EBT												
Taxes on income for the period												
Consolidated net income for the period												
in % of revenues												

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

Segment reporting

as at 30 June 2022

	All other Segments			Sum Segments			Consolidation			CGM Group		
	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021
	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
kEUR												
Revenues to third parties	23	44	146	516,696	469,765	1,025,322	0	0	0	516,696	469,765	1,025,322
thereof Software license	0	0	0	39,486	35,745	86,909	0	0	0	39,486	35,745	86,909
thereof Hardware	0	0	0	34,354	39,837	110,995	0	0	0	34,354	39,837	110,995
thereof Professional Services	23	44	133	51,957	50,820	108,024	0	0	0	51,957	50,820	108,024
thereof Software Maintenance & hotline	0	0	0	234,050	207,232	432,983	0	0	0	234,050	207,232	432,983
thereof Other recurring revenues	0	0	0	124,261	111,966	233,467	0	0	0	124,261	111,966	233,467
thereof Advertising, eDetailing and Data	0	0	0	26,806	20,170	43,196	0	0	0	26,806	20,170	43,196
thereof Other revenues	0	0	13	5,781	3,994	9,748	0	0	0	5,781	3,994	9,748
Point in time of revenue recognition												
at a specific point in time	0	0	13	44,873	49,198	131,376	0	0	0	44,873	49,198	131,376
over a period of time	23	44	133	471,823	420,566	893,946	0	0	0	471,823	420,566	893,946
	23	44	146	516,696	469,765	1,025,322	0	0	0	516,696	469,765	1,025,322
thereof recurring revenues	0	0	0	358,311	319,198	666,451	0	0	0	358,311	319,198	666,451
Revenues between segments	7,592	4,413	8,651	51,627	40,713	93,675	-51,627	-40,713	-93,675	0	0	0
Segment Revenues	7,615	4,457	8,796	568,322	510,478	1,118,997	-51,627	-40,713	-93,675	516,696	469,765	1,025,322
Capitalized inhouse services	0	0	0	22,785	15,941	37,294	0	0	0	22,785	15,941	37,294
Other income	46,185	41,558	92,081	56,775	51,053	112,249	-49,353	-43,414	-87,478	7,422	7,638	24,771
Expenses for goods and services purchased	-3,728	-1,505	-3,493	-139,377	-125,262	-283,560	50,684	40,782	92,134	-88,693	-84,480	-191,426
Personnel costs	-28,693	-25,395	-51,778	-270,744	-236,986	-498,007	529	236	284	-270,215	-236,750	-497,723
Other expenses	-30,930	-29,770	-65,126	-147,913	-120,098	-273,196	50,452	43,084	88,348	-97,462	-77,014	-184,847
EBITDA	-9,551	-10,654	-19,521	89,848	95,126	213,777	686	-26	-387	90,533	95,100	213,390
in % of revenues				17.4%	20.2%	20.8%				17.5%	20.2%	20.8%
Depreciation of property, plant and equipment and right-of-use assets										-20,636	-17,353	-37,837
Amortization of intangible assets										-32,718	-33,988	-72,876
EBIT										37,179	43,758	102,677
Results from associates recognized at equity										0	11	33
Financial income										13,859	749	3,854
Financial expense										-6,585	-3,537	-8,690
EBT										44,452	40,981	97,874
Taxes on income for the period										-14,098	-12,798	-28,842
Consolidated net income for the period										30,355	28,182	69,032
in % of revenues										5.9%	6.0%	6.7%

* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated.

EXPLANATORY NOTES

GENERAL ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

General Accounting Principles

This condensed half-year financial report is a consolidated financial statement as of June 30, 2022. 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, 2022, has been prepared like the consolidated financial statements as of December 31, 2021, 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, 2022, compared to the annual financial statements.

With the exception of 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, 2021. For further information, please refer to the consolidated financial statements as of December 31, 2021. These interim financial statements and interim management report have not been audited or reviewed by a statutory auditor.

The overview below gives information about the relevant foreign exchange rates for the condensed half-year financial report:

	Fixed rates		Average rates 01.01.-30.06.	
	30.06.2022	31.12.2021	2022	2021
1 EUR corresponds to				
Denmark (DKK)	7.44	7.44	7.44	7.44
Canada (CAD)	1.34	1.44	1.39	1.50
India (INR)	82.11	84.23	83.32	88.41
Norway (NOK)	10.35	9.99	9.98	10.18
Poland (PLN)	4.69	4.60	4.64	4.54
Romania (RON)	4.95	4.95	4.95	4.90
Russia (RUB)	117.20	85.30	88.40	89.55
Sweden (SEK)	10.73	10.25	10.48	10.13
Switzerland (CHF)	1.00	1.03	1.03	1.09
South Africa (ZAR)	17.01	18.06	16.85	17.52
Czech Republic (CZK)	24.74	24.86	24.65	25.85
Turkey (TRY)	17.32	15.23	16.26	9.52
UK (GBP)	0.86	0.84	0.84	0.87
USA (USD)	1.04	1.13	1.09	1.21

Unless otherwise stated, all information and explanatory notes in this report refer to the second quarter of 2022 and 2021, 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.

EXPLANATORY NOTES

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 main assumptions being 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, 2021, except for new standards to be applied in the current financial year. Furthermore, assumptions have been made for the current financial year 2022 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.

New and revised standards to be applied for the financial year 2022

CompuGroup Medical SE & Co. KGaA has implemented all accounting standards adopted by the EU and required to be applied from January 1, 2022.

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements to the IFRS standards 2018–2020 (May 14, 2020)	Amendments to IFRS 3 comprise references to the conceptual framework, IAS 16 deals with proceeds before intended use and IAS 37 specifies which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Amendments made within the scope of the annual improvement process comprise amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

In other respects, the same accounting policies and consolidation principles have been applied in preparing the half-year financial report and the comparative figures for the prior year as in the consolidated financial statements 2021.

Subsequent application of Standards, Interpretations and Amendments that have already been endorsed by the EU

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
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

CGM currently assumes that there will be no material impact on the half-year financial report.

EXPLANATORY NOTES

Subsequent application of Standards, Interpretations and Amendments that have been published by the IASB but not yet adopted into European law

The IASB and IFRIC have issued further standards, interpretations and amendments whose application is not yet mandatory in the EU as of January 1, 2022. The application of these IFRS and IFRIC is conditional upon their pending endorsement by the EU.

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
Amendments to IAS 1: Presentation of Financial Statements (January 23, 2020 and July 15, 2020)	The amendments to the classification of liabilities as current or non-current affect only the reporting of liabilities in the presentation of the financial position – not the amount or timing of the recognition of assets, liabilities, income or expenses or the related disclosures made by entities.	January 1, 2023
Amendments to IAS 12: Deferred Tax related to Single Transactions (May 7, 2021)	The main amendment for deferred taxes related to assets and liabilities arising from a single transaction is an additional exemption regarding IAS 12.15(b) and IAS 12.24. The amendment clarifies how entities account for deferred taxes on transactions such as leases and decommissioning obligations.	January 1, 2023
Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 – Comparative information (December 9, 2021)	The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed to avoid temporary accounting mismatches between financial assets and insurance contract liabilities.	January 1, 2023
IFRS 14 (January 30, 2014)	Regulatory Deferral Accounts.	Will not be introduced until the final standard is endorsed
Amendments to IFRS 10 and IAS 28 (September 11, 2014)	Sale Or Contribution Of Assets Between An Investor and its associate or joint venture.	Will not be introduced until the final standard is endorsed

The possibility of an early application for individual standards is given. CompuGroup Medical SE & Co. KGaA does not make use of the possibility of an early application of these standards. CompuGroup Medical SE & Co. KGaA is currently examining the effects of the first-time adoption of these standards and amendments.

The application of the other standards, amendments and interpretations is not expected to have any material impact on the half-year financial report.

EXPLANATORY NOTES

SELECTED EXPLANATORY NOTES

Changes in the business and the economic environment

In comparison to the financial year 2021, the first six months of 2022, 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.

Scope of consolidation

The IFRS half-year financial statement as of June 30, 2022 includes the financial statements of CompuGroup Medical SE & Co. KGaA and the companies controlled by the company (subsidiaries) as of June 30, 2022. 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, 2021, the scope of consolidation has changed as follows:

	Germany	Foreign countries	Total
As at January 1, 2022	33	70	103
Additions	3	3	6
Disposals / Merger	1	1	2
As at June 30, 2022	35	72	107

The disposals from the scope of consolidation result from the intragroup merger of VISUS IT Services GmbH into VISUS Health IT GmbH, in Germany and the merger of Small Business Computers of New England, Inc. into CompuGroup Medical Inc. in the USA.

The additions result from CGM's acquisition in 2022 of the INSIGHT Health Management GmbH, the INSIGHT Health GmbH & Co. KG and the GfsG Gesellschaft für statistische Gesundheitsforschung mbH GmbH in Germany. In addition, there are the foreign acquisitions of the already merged Small Business Computers of New England, Inc., in the USA, the 4K S.r.l. in Italy, as well as the new foundation of 4K Services Belgium S.a.r.l. in Belgium.

Additions from business combinations – together with other business combinations with no impact on the scope of consolidation – are shown in the table below based on the values at the time of acquisition with their impact on the consolidated financial statements.

EXPLANATORY NOTES

Company acquisitions and disposals

kEUR	Total	Small Business Computers of New England, Inc	Insight Health Group	4K S.r.l.	Other additions
Acquisition date		16.02.2022	10.05.2022	01.06.2022	
Shares acquired in %		100%	100%	60%	
Assets acquired and liabilities assumed that were recognized as at the acquisition date					
Non-current assets	35,207	2,050	29,255	2,731	1,170
Standard and special software	10,480	602	9,114	764	0
Customer relationships	17,387	1,265	13,357	1,601	1,164
Trademark rights	2,038	181	1,628	229	0
Property and buildings	7	0	7	0	0
Other equipment, plant and office equipment	582	0	563	13	6
Right-of-use assets	730	0	730	0	0
Other non-current financial assets	3,972	2	3,856	114	0
Deferred tax assets	10	0	0	10	0
Current assets	13,679	270	9,878	3,531	0
Trade receivables	8,246	56	6,335	1,855	0
Other current financial assets	211	0	0	211	0
Other current non-financial assets	358	0	285	73	0
Income tax receivables	188	0	188	0	0
Cash and cash equivalents	4,676	214	3,070	1,392	0
Non-current liabilities	1,439	0	730	709	0
Pensions	67	0	0	67	0
Liabilities to banks	19	0	0	19	0
Leasing liabilities	730	0	730	0	0
Deferred tax liabilities	623	0	0	623	0
Current liabilities	9,086	676	6,291	2,119	0
Contract liabilities	1,978	315	1,059	604	0
Trade payables	4,346	201	3,550	595	0
Liabilities to banks	33	0	0	33	0
Other provisions	1,358	0	1,279	79	0
Income tax liabilities	547	0	208	339	0
Other financial liabilities	400	0	0	400	0
Other non-financial liabilities	424	160	195	69	0
NET ASSETS ACQUIRED	38,361	1,644	32,112	3,434	1,170
Purchase price paid in cash	56,226	3,929	46,344	3,973	1,980
Liabilities assumed (receivable for purchase price reimbursement)	16,059	1,439	14,500	0	120
of which contingent consideration	16,059	1,439	14,500	0	120
Fair value of the equity interest in the acquiree held by acquirer immediately before the acquisition date	3,651	0	0	3,651	0
Result on disposal of investment accounted for using the equity method	-98	0	0	-98	0
TOTAL CONSIDERATION TRANSFERRED	75,838	5,368	60,844	7,526	2,100

EXPLANATORY NOTES

Non-controlling interests	586	0	0	586	0
Currency-related effects	307	252	0	0	55
GOODWILL	38,370	3,976	28,732	4,678	984
Acquired cash and cash equivalents	4,676	214	3,070	1,392	0
Purchase price paid in cash	56,226	3,929	46,344	3,973	1,980
Payments for acquisitions after date of acquisition	2,125	0	0	0	2,125
Cash outflow for acquisitions (net)	-53,675	-3,715	-43,274	-2,581	-4,105
Effects of the acquisition on CGM's results					
Sales revenues included in the consolidated statement of comprehensive income since acquisition date	6,807	244	5,676	490	397
Result included in the consolidated statement of comprehensive income since acquisition date	-461	32	-652	-11	170
Sales revenue for the financial year (notional acquisition date January 1)	20,730	366	17,029	2,938	397
Result for the financial year (notional acquisition date January 1)	-1,805	48	-1,956	-67	170

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

Effective March 1, 2022, CompuGroup Medical, Inc., a wholly owned subsidiary of CompuGroup Holding USA, Inc., acquired 100 % of the shares in Small Business Computers of New England, Inc. (hereinafter referred to as APeasy), domiciled in Manchester, USA.

APeasy is a laboratory information system for the anatomic pathology laboratory. Since foundation, APeasy has helped over 700 pathology labs worldwide to organize data, manage workflow and generate reports for both clients and internal use.

APeasy was consolidated for the first time as at March 1, 2022. Its reported revenue in 2021 amounted to approximately kEUR 1,543, and reported EBITDA came out to kEUR 767. The consideration to be paid amounted to kEUR 5,368, and the amount was paid in the amount of kEUR 3,929 as at the reporting date. The outstanding amount is recorded as a purchase price liability.

The current assessment reports preliminary goodwill of kEUR 3,976, which is mainly attributable to the expansion of the distribution network for the AIS segment in the USA 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 2,048 and relates to customer relationships, software and trademark rights. For the receivables acquired in the company 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 contractually fixed cash flows. An initial analysis of the financial information available identified no uncollectible receivables.

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

The measurement of the APeasy 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.

Acquisition of INSIGHT Health group, Germany

Effective May 1, 2022, CompuGroup Medical Deutschland AG, a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 100 % of the shares of INSIGHT Health Management GmbH, INSIGHT Health GmbH & Co. KG and GfsG Gesellschaft für statistische Gesundheitsforschung mbH (hereinafter referred to as INSIGHT Health), domiciled in Waldems, Germany.

Founded in 1999, Insight Health offers innovative solutions for market and healthcare research in the German healthcare sector, taking into account the highest level of data protection compliance. Its customers include well-known companies in the pharmaceutical industry, pharmacies, doctors' associations, health insurance companies, and scientific and political institutions.

INSIGHT Health was consolidated for the first time as at May 1, 2022. Its reported revenue in 2021 amounted to approximately kEUR 36,271, and reported EBITDA came out to kEUR 5,444. The consideration to be paid amounted to kEUR 60,844 and was paid in the amount of kEUR 46,344 as at the reporting date. The outstanding amount is recognized as a purchase price liability.

The current assessment reports preliminary goodwill of kEUR 28,732, 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 24,099 and relates to customer relationships, software and trademark rights. For the receivables acquired in the company 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 contractually fixed cash flows. An initial analysis of the financial information available identified no uncollectible receivables.

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

The measurement of the INSIGHT Health 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.

Acquisition of 4K S.r.l., Italy

Effective June 1, 2022, CompuGroup Medical Italia Holding S.r.l., a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA, acquired further shares (30 %) in 4K S.r.l. (hereinafter referred to as 4K), domiciled in Milan, Italy, thus gradually increasing its shares to 60 %.

4K operates Pharmap, an on-demand pharmaceutical delivery service in Italy.

4K was consolidated for the first time as at June 1, 2022. Its reported revenue in 2021 amounted to approximately kEUR 3,284, and reported EBITDA came out at kEUR 1,178. The total consideration to be paid was kEUR 7,526, and was paid in full as at the reporting date.

The current assessment reports preliminary goodwill of kEUR 4,678, which is mainly attributable to the expansion of the distribution network for the PCS segment in Italy. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 2,594 and relates to customer relationships, software and trademark rights. For the receivables acquired in the company 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 contractually fixed cash flows. An initial analysis of the financial information available identified no uncollectible receivables.

Deferred tax liabilities of kEUR 623 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 4K 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.

Remaining Additions

The remaining additions include the following business combinations.

Acquisition of the assets of curacom Praxistechnik, Germany

Effective January 1, 2022, MS IT-Systeme GmbH, a wholly owned subsidiary of CGM Systemhaus GmbH, took over the business of the company curacom Praxistechnik (hereinafter referred to as curacom), domiciled in Süderholz, Germany.

curacom is active in the field of supporting customers exclusively from the medical sector with IT products from the eHealth area, in particular the ambulatory information system TUROMED as well as products from the CGM-TI area and medical technology.

The business unit was incorporated in the consolidated financial statements for the first time as at January 1, 2022. Its reported revenue in 2021 amounted to approximately kEUR 753, and reported EBITDA came out at kEUR 186. The total consideration to be paid was kEUR 401, and was paid in the amount of kEUR 281 as at the reporting date. The outstanding amount is recognized under purchase price liabilities.

The acquired net assets amounted to kEUR 206. The current assessment reports preliminary goodwill of kEUR 195, which is attributable in particular to the expansion of sales channels and the associated up-selling opportunities in the AIS segment in Germany. Recognized goodwill is deductible for income tax purposes in the future.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 200 and relates to customer relationships. No contingent liabilities or contingent assets have been identified to date.

The measurement of the curacom asset deal was performed provisionally, as the measurement of the acquired customer relationships is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of the assets of Advanced Consulting Solutions, LLC, USA

Effective June 1, 2022, CompuGroup Medical, Inc., a wholly owned subsidiary of CompuGroup Medical Holding USA, Inc., took over the business of the company Advanced Consulting Solutions, LLC (hereinafter referred to as ACS), domiciled in Michigan, USA.

ACS is specialized in working with Health Care Providers to collect the maximum recoveries on their A/R. ACS approaches connects and synchronizes the clinical, administrative and revenue solutions across all areas of practice.

The business unit was incorporated in the consolidated financial statements for the first time as at June 1, 2022. Its reported revenue in 2021 amounted to approximately kEUR 640, and reported EBITDA came out at kEUR 340. The total consideration to be paid was kEUR 1,699, and the amount was paid in full as at the reporting date.

The acquired net assets amounted to kEUR 964. The current assessment reports preliminary goodwill of kEUR 789, which is attributable in particular to the expansion of sales channels in the AIS segment in the USA. Recognized goodwill is deductible for income tax purposes in the future.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 964 and relates to customer relationships. No contingent liabilities or contingent assets have been identified to date.

The measurement of the ACS asset deal was performed provisionally, as the measurement of the acquired customer relationships is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of Fablab S.r.l., Italy

In the first half of 2022, kEUR 1,295 of the contingent purchase price payments resulting from the acquisition of 100 % of the shares in Fablab S.r.l. in 2019 are paid out.

Acquisition of Meta-it GmbH, Germany

In the first half of 2022, current purchase price liabilities of kEUR 750 are paid, which result from the acquisition of 100 % of the shares in Meta-it GmbH in 2021.

Acquisition of HABA Computer AG, Germany

In the first half of 2022, kEUR 80 of the current purchase price liabilities resulting from the squeeze-out of the remaining shares in HABA Computer AG (2 %) in 2021 are paid out.

EXPLANATORY NOTES

Financial Instruments

The group has various financial assets, such as trade receivables, which result directly from its business activities. The same recognition and measurement principles were applied as for the consolidated financial statements as of December 31, 2021. In addition, since the second quarter of 2022, CGM has entered into forward exchange transactions to hedge foreign currency risks for intercompany loans and deposits.

The following table presents the book values and the valuation approaches in accordance with measurement categories for the group's existing financial instruments according to IFRS 9.

kEUR	Measurement category according to IFRS 9	Book value as at 30.06.2022	IFRS 9 valuation			IFRS 16 valuation	
			Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs	Fair value as at 30.06.2022
Financial assets							
Cash and cash equivalents	AC	120,066	120,066	0	0	0	120,066
Trade receivables	AC	153,496	153,496	0	0	0	153,496
Contract assets	AC	27,584	27,584	0	0	0	27,584
Other financial assets	AC	15,121	15,121	0	0	0	15,121
Finance lease receivables	-	26,061	0	0	0	26,061	26,061
Interest rate cap	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		364,069	316,266	21,742	0	26,061	364,069
thereof Amortized costs	AC	342,327	316,266	0	0	26,061	342,327
thereof Financial instruments at fair value through profit or loss	FVtPL	21,742	0	21,742	0	0	21,742
Financial liabilities							
Liabilities to banks	AC	763,852	763,852	0	0	0	763,865
Purchase price liabilities	AC	25,964	25,964	0	0	0	25,964
Trade payables	AC	80,792	80,792	0	0	0	80,792
Derivative instruments	FVtOCI	287	0	0	287	0	287
Other financial liabilities	AC	13,648	13,648	0	0	0	13,648
Lease Liabilities	-	57,848	0	0	0	57,848	57,848
Total financial liabilities		942,391	884,256	0	287	57,848	942,404
thereof Amortized costs	AC	942,391	884,256	0	0	57,848	942,117
thereof Financial instruments at fair value through profit or loss	FVtPL	0	0	0	0	0	0
thereof Financial instruments at fair value through other comprehensive income	FVtOCI	287	0	0	287	0	287

EXPLANATORY NOTES

The financial instruments by valuation category for the prior-year comparison period as at June 30, 2021 are as follows:

kEUR	Measurement category according to IFRS 9	Book value as at 30.06.2021	IFRS 9 valuation		IFRS 16 valuation		Fair value as at 30.06.2021
			Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs	
Financial assets							
Cash and cash equivalents	AC	90,473	90,473	0	0	0	90,473
Trade receivables	AC	136,295	136,295	0	0	0	136,295
Other financial assets	AC	14,751	14,751	0	0	0	14,751
Finance lease receivables	-	23,079	0	0	0	23,079	23,079
Other investments	FVtPL	642	0	642	0	0	642
Total financial assets		265,240	241,519	642	0	23,079	265,240
thereof Amortized costs	AC	264,598	241,519	0	0	23,079	264,598
thereof Financial instruments at fair value through profit or loss	FVtPL	642	0	642	0	0	642
thereof Financial instruments at fair value through other comprehensive income	FVtOCI	0	0	0	0	0	0
Financial liabilities							
Liabilities to banks	AC	630,151	630,151	0	0	0	630,575
Purchase price liabilities	AC	12,538	12,538	0	0	0	12,538
Trade payables	AC	57,749	57,749	0	0	0	57,749
Other financial liabilities	AC	17,153	17,153	0	0	0	17,153
Lease Liabilities	-	47,928	0	0	0	47,928	47,928
Total financial liabilities		765,519	717,591	0	0	47,928	765,943
Total per category							
thereof Amortized costs	AC	765,519	717,591	0	0	47,928	765,943
thereof Financial instruments at fair value through profit or loss	FVtPL	0	0	0	0	0	0
thereof Financial instruments at fair value through other comprehensive income	FVtOCI	0	0	0	0	0	0

EXPLANATORY NOTES

Related party transactions

In the period from January 1, 2022 to June 30, 2022 group companies entered into the following transactions with related parties outside the consolidated group. All transaction with related parties and associates have been concluded at market conditions.

The related party transactions are as follows:

kEUR	Goods and services provided and other income		Goods and services received and other expenses		Receivables		Liabilities	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Frank Gotthardt	0	26	0	0	0	0	0	0
Dr. Brigitte Gotthardt	0	2	0	0	0	1	0	0
Prof. Dr. Daniel Gotthardt	0	0	25	0	0	0	0	0
CompuGroup Medical Management SE	8	3	7,623	6,759	4	0	878	2
further Administrative Board	0	0	1	0	0	0	0	0
Supervisory Board	0	0	0	0	0	0	0	0
Senior Management	0	0	0	2	0	0	0	2
Further related parties	859	4,064	1,128	1,512	210	253	52	135
Associated companies	5,528	4,569	7	1	1,124	1,123	0	0
TOTAL	6,405	8,664	8,783	8,274	1,349	1,378	931	139

Payments amounting to kEUR 7,623 (prior year: kEUR 6,759) were made to the personally liable company CompuGroup Medical Management SE, which is controlled by Frank Gotthardt via GT 1 Vermögensverwaltung GmbH, in the reporting year 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, 2022. 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 parties:

Regular remuneration paid to members of the Supervisory and the Administrative Board is not listed here.

Administrative Board

Business relations with Frank Gotthardt and Prof. Dr. Daniel Gotthardt are listed separately and are therefore not included here.

Supervisory Board and Senior Management

Beyond this, there were no significant direct business relationships with members of the Supervisory Board and Senior Management in the reporting year.

Related companies:

The received goods and services are mainly composed of the business relations with mps public solutions GmbH (mEUR 0.3), KEC Vertriebs GmbH & Co. KG (mEUR 0.3) and INFOSOFT Informations- und Dokumentationssysteme GmbH (mEUR 0.2), which were received in particular from CGM SE & Co. KGaA and CGM Clinical Deutschland GmbH. The goods and services provided mainly consist of business relations with the mps public solutions GmbH amounting to mEUR 0.8 by CGM Clinical Deutschland GmbH.

MW Office / Marketing und Werbung GmbH and Deutsche Leasing AG are no longer related parties to CompuGroup Medical.

Associated companies:

The goods and services provided to associated companies are mainly related with MGS Meine Gesundheit-Services GmbH (mEUR 5.5), as in the prior year. Also, receivables comprise especially to MGS Meine Gesundheit-Services GmbH in the amount of mEUR 1.1.

Compliance with payment obligations and financial covenants

On January 28, 2020, CGM took out a new credit facility to ensure future liquidity 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 purpose of this is to repay existing liabilities. In addition, the loan is used to finance general corporate purposes and acquisitions. The group of underwriters includes BNP Paribas, Commerzbank, Deutsche Bank, Landesbank Baden-Württemberg, SEB and Unicredit.

As of January 28, 2022, the renewal option for the revolving credit facility was exercised for the last time. of one year each for the revolving credit facility. The revolving credit facility now runs until January 28, 2027.

The interest rate is based on EURIBOR 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, 2022 there was a margin of 1.20 % (TLF) and 0.90 % (RCF).

As at June 30, 2022, the TLF was utilized in full in the amount of mEUR 400. The RCF of mEUR 600 was utilized in the amount of mEUR 139.

The loans are subject to compliance with a financial covenant (leverage). Various German group companies have issued joint and several payment guarantees for this syndicated credit facility (default liability for nonpayment by CompuGroup Medical SE & Co. KGaA).

In order to hedge the TLF against significant changes in interest rates, an interest rate cap with a 10-year term was entered into in 2021.

In the 2022 financial year, CompuGroup Medical SE & Co. KGaA fully complied with all financial covenants in the existing loan agreements.

Contingent liabilities, guarantees and other commitments

As at June 30, 2022, contingent liabilities increased by mEUR 6 to mEUR 11 compared to December 31, 2021. This is due to new guarantees for contract executions of CGM Deutschland AG in the amount of mEUR 5 and CGM Poland in the amount of mEUR 1.

Significant post balance sheet events

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

Segment reporting

In accordance with IFRS 8 „Operating Segments“ the activities of CompuGroup Medical SE & Co. KGaA are divided into operating segments for segment reporting purposes.

Following business segments form the basis of the segment reporting. The range of services offered by these four business segments, can be presented as follows:

- AIS: Development and distribution of practice software solutions as well as the provision of services for registered doctors and dentists. In addition, Internet Service Providing services are provided to physicians and other healthcare participants.
- HIS: Development and distribution of hospital software solutions as well as the provision of services
- CHS: Combines the business units Consumer, Pharma, Insurance, Data & Analytics, and Connectivity including the telematics infrastructure with the aim of connecting healthcare providers (physicians, dentists, hospitals and pharmacists) with other key market participants in the healthcare sector, such as payers, pharmaceutical companies, and research institutions
- PCS: Development and distribution of software solutions as well as the provision of services for pharmacists

On the basis of the reporting system, the managing directors, as chief operating decision makers, assess the performance of the four reportable segments and make decisions about the allocation of resources. For the evaluation and assessment of the operating segments, the Group management uses the earnings indicator “earnings before interest, taxes, depreciation and amortization (EBITDA)”, which thus represents the segment result.

Additional information

FINANCIAL CALENDAR

Date	Event
September 1, 2022	Capital Market Days
November 3, 2022	Quarterly Statement Q3 2022

CONTACT INFORMATION

CompuGroup Medical SE & Co. KGaA

Investor Relations

Maria Trost 21

56070 Koblenz

E-Mail: investor@cgm.com

www.cgm.com

Management Responsibility Statement

To the best of our knowledge, and in accordance with 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 Group interim management report 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 4, 2022

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



Michael Rauch




Angela Mazza Teufer



Emanuele Mugnani



Dr. Eckart Pech



Hannes Reichl

CompuGroup Medical SE & Co. KGaA
Maria Trost 21
56070 Koblenz
Germany

www.cgm.com

Synchronizing Healthcare

