

Report of the general partner on agenda item 8

The general partner shall also have the possibility in the future, with the approval of the Supervisory Board, to take advantage of financing opportunities in the interest of the Company in order to make the most of business opportunities and strengthen the equity base. In connection with the resolution on the change of legal form adopted by the Annual General Meeting on May 13, 2020 under agenda item 7, the general partner was authorized in Article 4 (3) of the Articles of Association, with the consent of the Supervisory Board, to increase the share capital on one or more occasions on or before May 12, 2025 by a total of up to EUR 26,609,675.00 by issuing new registered no-par value shares against cash and/or non-cash contributions (Authorized Capital 2020). Article 4 (3) of the Articles of Association also authorizes the general partner, with the consent of the Supervisory Board, in certain cases to exclude the shareholder subscription rights to new shares issued in the context of a capital increase using the Authorized Capital 2020. Such an exclusion of subscription rights is possible under the authorization, among other things, in accordance with Section 186 (3) sentence 4 German Stock Corporation Act (AktG) in the case of a capital increase against cash contributions. However, the issuance of new shares excluding shareholder subscription rights pursuant to Section 186 (3) sentence 4 German Stock Corporation Act (AktG) is limited under the authorization to the extent that the proportion of the share capital attributable to these shares may not exceed a total of 10 % of the share capital. According to the authorization, treasury shares sold during the term of the Authorized Capital 2020 excluding subscription rights pursuant to Section 186 (3) sentence 4 German Stock Corporation Act (AktG) are to be offset against this limitation.

On June 22, 2020, the Company partially utilized the Authorized Capital 2020 and issued 515,226 new shares excluding shareholder subscription rights. On the same day, the Company sold 4,806,709 treasury shares excluding shareholder subscription rights in accordance with Section 186 (3) sentence 4 German Stock Corporation Act (AktG). The new shares and sold treasury shares excluding subscription rights accounted for a total pro rata amount of 10 % of the share capital at that time.

In view of this, the Authorized Capital 2020 is no longer available for an issuance of new shares excluding shareholder subscription rights pursuant to Section 186 (3) sentence 4 German Stock Corporation Act (AktG).

The general partner and the Supervisory Board consider it expedient to enable the Company to increase the share capital in the future, too, also at short notice excluding subscription rights. The existing Authorized Capital 2020 is therefore to be canceled and replaced by a new authorized capital.

For this reason, the general partner and the Supervisory Board propose to the Annual General Meeting under agenda item 8 the creation of a new authorized capital in the total amount of up to EUR 10,746,915.00 by issuing up to 10,746,915 new registered no-par value shares (Authorized Capital 2021). The general partner shall be authorized to issue shares on the basis of the Authorized Capital 2021 until May 18, 2024 (inclusive). The Authorized Capital 2021 is to be available for both cash and non-cash capital increases.

With the proposed Authorized Capital 2021, the general partner of CompuGroup Medical SE & Co. KGaA will be in a position to adjust the equity capitalization of the Company within the aforementioned limits to the business requirements at any time and to act quickly and flexibly in the interests of the Company. To this end, the Company must always have the necessary instruments for raising capital –

irrespective of specific utilization plans. Since decisions on the coverage of a capital requirement generally have to be made at short notice, it is important that the Company is not dependent on the dates of ordinary general meetings in this respect and does not have to convene extraordinary general meetings either. With the instrument of authorized capital, the legislator has taken account of the need to raise capital at short notice. Common reasons for using authorized capital are to strengthen the equity base and finance acquisitions of shareholdings.

Shareholders must in principle be granted subscription rights if the Authorized Capital 2021 is utilized. Pursuant to Section 186 (5) German Stock Corporation Act (AktG), the new shares may also be underwritten by one or more credit institutions with the obligation to offer them to the shareholders for subscription (known as indirect subscription right). The proposed authorization provides that the general partner – in accordance with the statutory provisions – may exclude the shareholder subscription rights in whole or in part in the cases explained below with the approval of the Supervisory Board.

The total of the shares issued on the basis of the Authorized Capital 2021 excluding shareholder subscription rights, taking into account other shares of the Company sold or issued during the term of the Authorized Capital 2021 excluding subscription rights or to be issued on the basis of bonds issued after May 19, 2021 excluding subscription rights, may not exceed a pro rata amount of 20 % of the share capital, whether at the time this authorization becomes effective or at the time it is exercised. This limitation of the total volume of an issue of shares without subscription rights to 20 % of the share capital protects shareholders against dilution of their shareholdings.

Exclusion of subscription rights for fractional amounts

The general partner is to be authorized, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders for fractional amounts. Such exclusion of subscription rights is intended to enable a practicable subscription ratio and thus facilitate the technical handling of a capital increase. The value of fractional amounts is generally low, whereas the cost of issuing shares without excluding subscription rights for fractional amounts is normally significantly higher. The new shares without shareholder subscription rights as so-called “free fractions” are utilized in the best possible way for the Company. The exclusion of subscription rights in these cases therefore serves to make an issue more practicable and easier to carry out.

Exclusion of subscription rights in the case of bonds with warrants and convertible bonds

The general partner is also to be authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights if and to the extent that this is necessary in order to grant a subscription right to the holders or creditors of conversion or option rights and/or the holders or creditors of financing instruments with conversion or option obligations, which were or are issued by the Company or by a domestic or foreign company in which the Company directly or indirectly holds a majority of the votes and capital, to the extent that such subscription rights would be granted to them after the exercise of the conversion or option rights or after the fulfillment of a conversion or option obligation.

The reasons are as follows: The economic value of the aforementioned conversion or option rights or of the bonds with conversion or option obligations depends not only on the conversion or option price but also, in particular, on the value of the shares of the Company to which the conversion or option

rights or conversion or option obligations relate. In order to ensure a successful placement of the relevant bonds or to avoid a corresponding price discount in the placement, it is therefore customary to include so-called anti-dilution provisions in the bond terms and conditions, which protect the beneficiaries against a loss in value of their conversion or option rights due to a dilution in the value of the shares to be subscribed. A subsequent share issue granting shareholder subscription rights would typically lead to such a dilution in value without dilution protection. The aforementioned anti-dilution provisions in the bond terms and conditions regularly provide for a reduction of the conversion or option price in this case, with the consequence that, in the event of a subsequent conversion or exercise of the option or the subsequent fulfillment of a conversion or option obligation, the funds accruing to the Company are reduced or the number of shares to be issued by the Company is increased.

As an alternative by means of which the reduction of the conversion or option price can be avoided, the anti-dilution provisions usually permit the beneficiaries of bonds with conversion or option rights or conversion or option obligations to be granted subscription rights to new shares to the extent to which they would be entitled after exercising their own conversion or option rights or after fulfilling their conversion or option obligations. They are thus placed in the same position as if they had already become shareholders by exercising the conversion or option rights or by fulfilling any conversion or option obligations prior to the subscription offer and were also already entitled in this way; they are thus compensated for the dilution in value – like all shareholders already participating – by the value of the subscription right. For the Company, this second alternative of granting protection against dilution has the advantage that the conversion or option price does not have to be reduced; it therefore serves to ensure the greatest possible inflow of funds in the event of a subsequent conversion or exercise of the option or the subsequent fulfillment of any conversion or option obligation, or reduces the number of shares to be issued in this case. This also benefits the shareholders involved, so it also constitutes compensation for the restriction of their subscription rights. Their subscription rights remain as such and are only reduced proportionately to the extent that subscription rights are granted not only to the participating shareholders but also to the holders of conversion or option rights or bonds with conversion or option obligations. In the event of a subscription rights issue, the present authorization gives the Company the opportunity to choose between the two alternatives for granting protection against dilution described above, after weighing up the interests of the shareholders and the Company.

Exclusion of subscription rights in the case of cash capital increases

With the approval of the Supervisory Board, the general partner is to be able to exclude subscription rights in the case of cash capital increases in accordance with Section 203 (1) sentence 1, (2), Section 186 (3) sentence 4 German Stock Corporation Act (AktG) if the issue price of the new shares is not significantly lower than the stock market price of the shares already listed.

The use of this option, which is laid down in law, to exclude the subscription rights can be expedient in order to take swift and flexible advantage of favorable market conditions and also in order to cover at very short notice any capital requirements that may arise here. The two-week subscription period necessary when granting a subscription right to shareholders (Section 186 (1) sentence 2 German Stock Corporation Act (AktG)) does not permit a comparatively short-term reaction to current market conditions. Furthermore, the volatility of the stock markets means that conditions that are close to the market can generally be achieved only when the company is not tied to this over a lengthy period.

When granting a subscription right, it is necessary pursuant to Section 186 (2) German Stock Corporation Act (AktG) that the final subscription price is published no later than three days before the subscription period expires. There is therefore a higher risk when granting a subscription right – especially the risk of price fluctuations that exists over several days – than there is in the case of allocation without subscription right. Appropriate haircuts on the current stock market price are therefore regularly required for a successful placement when granting a subscription right; this generally leads to more unfavorable conditions for the Company than is the case in a capital increase carried out without the subscription rights. Excluding the subscription rights enables the placement to be made close to the stock market price. A full placement is also not automatically guaranteed when a subscription right is granted because of the uncertainty surrounding the exercise of the subscription rights by the beneficiaries of those rights, while a subsequent placement with third parties is generally associated with additional expenses.

The proportion of the share capital represented by the shares issued excluding subscription rights in this way may not exceed a total of 10 % of the share capital either at the time this authorization becomes effective or at the time it is exercised. Within this framework, the legislator considers it reasonable for shareholders to maintain their proportionate shareholding by making purchases on the market. The pro rata amount of the share capital attributable to shares issued or sold during the term of the Authorized Capital 2021 as a result of an authorization to issue new shares or sell treasury shares in direct or analogous application of Section 186 (3) sentence 4 German Stock Corporation Act (AktG), excluding subscription rights, must be offset against this limit of 10 % of the share capital. Likewise, the pro rata amount of the share capital must be offset that is attributable to shares that can be issued or are to be issued to service bonds with conversion or option rights or with conversion or option obligations if the bonds are issued during the term of the Authorized Capital 2021 excluding the shareholder subscription rights in analogous application of Section 186 (3) sentence 4 German Stock Corporation Act (AktG). These offsets serve to protect the shareholders by minimizing the dilution of their shareholding as far as possible.

The offsetting model enables the equity share of the shareholders not to be diluted by more than 10 % even when capital measures are linked with the issue of bonds and/or the sale of treasury shares. The shareholders also have the option in principle – because the issue price of the new shares is close to the stock market price and because of the limit on the size of the capital increase when subscription rights are excluded – to maintain their equity share by acquiring the necessary shares on the stock market on approximately the same conditions. It is therefore ensured that, in compliance with the legal rationale of Section 186(3) sentence 4 German Stock Corporation Act (AktG), the financial and equity interests are adequately safeguarded when the Authorized Capital 2021 is utilized subject to the exclusion of the subscription rights, while further latitude is opened up for the Company to act in the interests of all the shareholders.

Exclusion of subscription rights in the case of capital increases by way of contributions in kind

Furthermore, the general partner is to be authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights in the case of capital increases against contributions in kind, in particular for the acquisition of companies, parts of companies or investments in companies or other assets, including claims against the Company or its Group companies. This option to exclude subscription rights is limited to the extent that the new shares issued with subscription rights excluded

may not exceed a pro rata amount totaling 10 % of the share capital, either at the time the Authorized Capital 2021 becomes effective or at the time it is utilized.

This is intended to enable CompuGroup Medical SE & Co. KGaA to be able to offer shares of the Company quickly and flexibly in suitable individual cases for the fulfillment of claims arising from the preparation, implementation, execution or settlement of legal or statutory acquisition transactions as well as business combinations without recourse to the stock exchange. CompuGroup Medical SE & Co. KGaA faces global competition. It must be able to act quickly and flexibly at all times on the international and regional markets in the interests of its shareholders. This also includes the short-term acquisition of companies, businesses, parts of companies, investments in companies or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies, in order to improve its competitive position. As consideration, the granting of shares may be expedient or even required in order to preserve liquidity or to meet the seller's expectations. Giving shares instead of money can also make sense from the point of view of an optimum financing structure. The Company does not suffer any disadvantage as a result, since the issue of shares against contributions in kind requires that the value of the contribution in kind is in reasonable proportion to the value of the shares. When determining the valuation ratio, the general partner will ensure that the interests of the Company and its shareholders are adequately safeguarded and that an appropriate issue price is achieved for the new shares. The Company's stock exchange listing also offers every shareholder the opportunity to increase their shareholding by acquiring additional shares.

Utilization of the authorization

At present, there are no concrete plans to utilize the Authorized Capital 2021. The authorizations proposed here with the option to exclude subscription rights are common practice nationally and internationally. The approval of the Supervisory Board is required for all cases of exclusion of subscription rights proposed here. The general partner will also carefully examine in each case whether the utilization of the Authorized Capital 2021 is in the interests of the Company; in particular, it will also examine whether any exclusion of subscription rights is objectively justified in the individual case. The general partner will report to the next Annual General Meeting on each utilization of the authorization.