



Speech by Frank Gotthardt

**Chairman of the Management Board of CompuGroup Medical SE,
on the occasion of the Annual General Meeting
on May 15, 2019, in Koblenz**

The spoken word is final.

Chart 5: Introductory slide

Dear Shareholders,
ladies and gentlemen,
I would like to take this opportunity to welcome you warmly to this year's Annual General Meeting.

Chart 6: Share price 2017 to date

After a sluggish start, our share price performed well last year, peaking in autumn and then falling back slightly in the fourth quarter. Since the beginning of the year, we have experienced a very positive share price development, which was first marked by the publication of the preliminary figures for 2018 and then by the publication of the interim report for the first quarter of this year. The market and positioning of CGM are obviously sending a powerful signal. So let me say a few words about this.

Chart 7: The world is changing

The world is changing. This applies to many areas and in particular to health. As summed up by Yuval Noah Harari in his book Homo Deus: For the first time in history, more people die today from old age than from infectious diseases. And that's not the only big change.

Chart 8: The world is changing

As Harari also writes, more people die today from eating too much than from eating too little.

This is certainly remarkable and has an impact on how people deal with health issues.

Chart 9: The world is changing

The world is changing. For example, the International Diabetes Federation predicts a massive increase in diabetes, particularly in urban regions. Where in 2015 there were about 270 million affected people worldwide – which is of course already a lot – in 2040 it is projected to be almost 480 million. In total, including non-urban regions, 640 million people are expected to have diabetes.

For a positive takeaway of this forecast, we can safely say that our headquarters in a federal state with a high share of rural areas can also be recommended to everyone as an environment conducive to health.

Chart 10: The world is changing

A very positive development for the people assumes the average life expectancy. The acknowledged World Health Report states that in the 40 years between 1970 and 2010, the average life expectancy of newborn girls worldwide increased by almost 20% on average. That is an average of twelve years of life gained.

However, the report also states that a longer life expectancy is often associated with age-related diseases.

As a result, societies are emerging with an increasingly older population and with higher levels of morbidity than in the past.

Chart 11: The world is changing

At the same time, the number of people available to provide care and nursing is becoming increasingly scarce. The shortage of skilled workers has affected all areas of medicine, nursing and associated professions. Just last week, it was reported that the gap between demand and available resources in old people's care has widened even further.

This question has several facets. It is certainly important to give these professions the appropriate recognition and thus increase their attractiveness. At the same time, however, we urgently need to take a close look and consider what tasks highly-qualified staff are doing in their workplaces today – and find where we can provide intelligent support. To get to the point: Does a certified nurse have to spend valuable time searching for information today? Or fax hospital letters to office-based doctors?

Chart 12: Efficiency potentials

In 2017 and 2018, the companies pwc and McKinsey independently examined the efficiency potentials that could be exploited through the stringent use of eHealth in Germany alone. Both companies came up with a figure of approximately EUR 34 to 39 billion per year.

Chart 13: Efficiency potentials in classification

In order to classify the "digitization dividend", you can see here on this slide the relation, for example, to the total budget for "Research and Education" in Germany. The efficiency potential of eHealth is therefore twice this budget. And it is even more obvious how much more potential could be unleashed if we look at the comparison with expenditure on prevention: Currently, EUR 500 million is spent annually in this area. Only one seventieth! Or in comparison to the expenditure on cancer research, with the aim of defeating cancer at some point in the future. Here it is even less than a hundredth of what we have in efficiency potentials and what is currently spent.

Chart 14: The goal of CGM

As we have seen in the previous presentations, the tasks are great and so are the potentials associated with digitization in the healthcare sector. We, CGM, and thus around 5,000 highly committed employees, have a clear vision. With our means of digital technologies and our expertise, we will increase the effectiveness of health care and help to prevent people from suffering or dying just because sometime, somewhere medical information is missing. That's what we stand for and that's what I stand for.

Chart 15: Positioning of the CGM: International

In the years since our foundation, we have consistently positioned ourselves to achieve this important goal. Today, we have successful global activities, with own locations in 19 countries and products that support around one million health professionals in 56 countries around the world every day.



Chart 16: Positioning of the CGM: Cross-sector

And we have achieved something very valuable: No matter where in the world – a patient's individual health journey of patient never takes place in only one institution or a single sector. The so-called Patient Journey is characterized by the necessary cooperation of many practitioners. We can say: We know them all – and we know them very well – because we support their work through our information systems. Whether in doctors' or dentists' surgeries, pharmacies, hospitals, rehabilitation centers, laboratories or nursing homes. On an extrapolated and total basis, CGM's employees certainly have at least 50,000 years of experience in health IT.

Chart 17: Performance of the CGM

Last year, for example, we demonstrated what is possible with the telematics infrastructure. The world's fourth largest economy has launched one of the largest – if not the largest – eHealth infrastructure projects in the world. And we have succeeded in having the necessary components ready a whole year ahead of our competitors. And CGM has made this rollout market-leading and decisive.

By the end of 2018, we had brought 46,000 practices into the TI. And of the 46,000, 12,000 practices have not yet been clients of CGM.

This year we are continuing this project with great commitment. We have started distribution in pharmacies and are currently preparing the introduction of the next value-added services. This will involve the management of emergency data and medication. These services potentially affect everyone and generate tangible added value for the population and healthcare providers.

Chart 18: Product basis: electronic patient file

The prime application for the telematics infrastructure – for which it was basically invented – is the electronic patient file. With CGM LIFE, CGM has a proven, highly secure platform in its portfolio. The platform offers a life-long health account for everyone. The core is an electronic patient file. It is highly integrated with our primary information systems and thus right in the middle of the healthcare professionals' workflow. And the platform is highly scalable because it not only enables CGM itself to create useful apps on the platform. With our "CGM LIFE Partner Ready" program, we can also have partners with highly innovative ideas develop and market useful services for consumers at high speed.

Chart 19: Innovation with real everyday benefits

Here are two examples of such services that help in everyday life. On the one hand there is the CGM vaccination protection – the digital vaccination book. With this app based on CGM LIFE, people have an active assistant in their pocket who can tell them their vaccination status and even actively remind them of refreshers, or make vaccination recommendations, for example when a trip is due. A valuable contribution to the current vaccination debate. The passive vaccination pass that can never be found is a thing of the past.

The second example shows the drug management assistant – another topic that many need for themselves or their relatives.

Chart 20: Innovation with real everyday benefits

CGM's strength comes to the fore when it comes to cooperation and perfect coordination. Without the involvement of health professionals, patients' opportunities in the digital world are limited. This is where integration and smooth workflows come in. With CLICKDOC, we are creating a digital platform between patients and practices that eliminates any duplication of work on the practice side and provides both practices and patients with an experience of freedom and high convenience.

Chart 21: Innovation with real everyday benefits

At the beginning of my presentation I mentioned some challenges we face today and in the near future. Demography and a shortage of skilled workers were among them, and the increasingly difficult supply of rural structures is one effect of this.

With CGM ELVI, i.e. the electronic visit, which can also be called up as part of CLICKDOC, we provide a technology for video consultation hours that can be used for many purposes. Regardless of whether the consultation is supported from home or from nursing homes, or whether an expert is called in for a second opinion, the solution has one thing in common: Instead of patients having to move, we let the data travel if this is possible and thus offer advanced medical care at every place.

Chart 22: Doctor Information System

In addition to the products for networking, collaboration and communication, we are also tirelessly developing our information systems for the health service providers. One example is CGM PRIVATE as a solution for private doctors. Built on the latest web technology, which also enables use as a cloud service, with convincing user experience and digital communication with patients.

Chart 23: Hospital Information System

Our completely new international hospital information system CGM CLINICAL shows how this can develop. With a launch at the beginning of 2017, we already experienced a great first year in 2018, in which the first projects were successfully launched. I am now pleased to say that with CGM CLINICAL we achieved the largest order intake in the company's history a few days ago with a total volume of 20 more than 100 million EUR. We are pleased about the partnership with the Lower Austrian Landeskliniken-Holding – NÖLK for short. NÖLK will consolidate its IT for 19 hospitals with more than 7,600 beds at a total of 27 locations with CGM CLINICAL in medicine and care.

A great success of the HIS area of CGM.

Chart 24: Average 2-digit annual growth of relevant key figures

And CGM continues to grow through acquisitions. In the first half of 2018, we acquired shares in La-Well, a company that successfully launched a good product for video consultation hours in the form of ELVI.

This was followed in July by the acquisition of company shares in n-design, an important supplier in connection with software development for the TI connector.

factis from Freiburg also has a long-standing partnership with us. factis is a leading provider of mobile solutions, especially in the area of outpatient care.

At the beginning of this year, we acquired CoSi Medical IT and Gotthardt Informationssysteme (GIS), two sales and service partners. Together, the two companies currently serve approximately 7,000 of our customers in the field of general practitioners.

In February we acquired Qualizorg, a provider with a wealth of experience in quality indicators from patient reports, and in April we acquired Eurosof, which complements our pharmacy software business. The Farmalog software currently supports 390 pharmacies in Spain.

Chart 25: Average 2-digit annual growth of relevant key figures

Ladies and gentlemen: Against the background of CompuGroup Medical's previous developments in recent years, the medium- and long-term corporate strategy obviously offers us and you a high long-term growth potential.

After the strong year 2018 with the special effect of the start of the rollout in the telematics infrastructure, we nevertheless expect revenue growth of up to 5 percent this year with EBITDA growth of 4 - 12 percent. It is very encouraging that we were able to achieve an increase of almost 19% in recurring doctor and dentist revenues in the first quarter compared to the same period last year.

We can confirm our corporate forecast for 2019 and anticipate sales of between EUR 720 million and EUR 750 million and consolidated operating earnings (EBITDA) of between EUR 190 million and EUR 205 million.

Chart 26: Dividend

You, dear shareholders and shareholders, should of course also benefit from this positive development in the form of a dividend, which we will propose to the Annual General Meeting in the amount of 0.50 euro cents.

Chart 27: Granting of stock options

As you can see from your documents in detail, the Management Board and Supervisory Board of CompuGroup Medical SE propose that a resolution to grant stock options be passed.



Chart 28: Synchronizing Healthcare

Ladies and Gentlemen, an impressive year 2018 that will surely remain in our memories is now behind us. This year has started very well and we can expect 2019 to be another successful and formative year for CGM.

It is a pleasure and an honor for me as Chairman of the Management Board to work together with 5,000 committed and enthusiastic employees to have this powerful impact.

And now I would like to express my sincere thanks to our Supervisory Board. On behalf of the entire Executive Board, I would like to say that we are very much looking forward to continuing our good cooperation for the benefit of our company.

And I thank you, my dear shareholders, for entrusting us with part of your assets through your participation in CompuGroup Medical. We will continue to do all we can to justify this trust in the future.

Ladies and gentlemen, thank you very much!