



## CompuGroup Medical SE & Co. KGaA

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## CGM reports on growth initiatives and proprietary AI tool at Capital Markets Day

- **Launch of the company's AI tool ChatCGM**
- **CGM sees great potential of AI in the healthcare sector**
- **Innovation offensive 2021/2022 successful: Organic growth sustainably at 5 percent and more**
- **Digitization in medical practices, hospitals and pharmacies remains growth driver**
- **Revenue target raised again in connection with the Hospital Future Act**
- **Focus on profitable growth after expiry of investment phase**
- **Guidance 2023 and mid-term targets confirmed**

CompuGroup Medical SE & Co. KGaA (CGM) continues to drive the use of Artificial Intelligence (AI). At today's Capital Markets Day, CEO and CFO Michael Rauch presents the company's own AI tool ChatCGM, which can be used by all CGM employees. It is based on Azure Open AI ChatGPT, can integrate further generative AI and is tailored precisely to CGM's needs. It generates added value for all parts of the company, such as software development, the further development of the

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product architecture, but also for support functions and in customer service. To get started efficiently, CGM has also developed various training media and programs for employees.

According to CEO Rauch, the system will add significant value for the CGM product world and service structure, increase efficiency in research and development as well as in general business processes. Among others the focus will be on innovation in the field of research and development, service and support, voice recognition or the automation of data analysis and data storage. ChatCGM will also help to significantly increase efficiency in software development, for example by speeding up programming. In addition, the tool can enable faster analyses of complex questions and support creative work such as text creation. A major advantage of ChatCGM is that the data entered is processed entirely on separated servers in Europe. This means that the highest data security standards are maintained and there is no possibility of knowledge leakage.

"Artificial Intelligence will change economic life and thus also our company at least as much as the computer or the internet have done. As a pioneer in the health IT industry, we will also lead the way here and create added value for our customers and our company," comments Michael Rauch.

Artificial intelligence is already being used in various CGM applications. For the CGM customers in doctors' offices, hospitals, and pharmacies, the focus is not only on the significantly improved possibilities in diagnostics and early detection, but also on improving operational processes and resource management, and thus saving time. Studies show that for every hour doctors and their teams spend on patients, they spend three to four hours on administrative work. AI-based solutions can significantly reduce such inefficiencies in healthcare for the benefit of patients.

In the meantime, the innovation offensive of 2021 and 2022 is clearly having an impact: Organic revenue growth has been sustainably increased since the beginning of the investment phase in December 2020, and has averaged around 5% annually since then. The management expects organic revenue growth of around 5% again for 2023. The driver here is digitization in the healthcare sector.



At today's Capital Markets Day, the Managing Directors around CEO and CFO Michael Rauch as well as the CEO of the US business will present the progress in the individual growth areas. One of the strongest growth drivers remains digitization in hospitals, in particular strengthened once again by the Hospital Futures Act. Thus, the target for revenues in connection with the Hospital Future Act is being raised again today. Management now expects revenues of EUR 140 million to EUR 160 million in the coming years in connection with this initiative.

CGM is also involved in the further development of the Telematics Infrastructure, the digital backbone of the German healthcare system, based on a zero-trust architecture. Together with a high-level industry and research consortium, CGM is working on shaping the future of the TI as part of a project initiated by gematik. TI 2.0 focuses on benefits, practicality, mobility, security and stability for applications such as the electronic patient record, e-prescription and the KIM communication service.

Now that the investment phase has come to an end, CGM's focus is on profitable growth. For the current financial year, CGM expects an overall adjusted EBITDA in the range of EUR 260 to 300 million. CompuGroup Medical reaffirms its mid-term targets: Thus, the average annual organic growth is expected to be at more than 5 percent from 2021 to 2025. The recurring revenue share, reflecting the quality and strength of the business model, is expected to exceed 70% in 2025 and the adjusted EBITDA margin is expected to reach approximately 27%.

### **About CompuGroup Medical SE & Co. KGaA**

CompuGroup Medical is one of the leading e-health companies in the world. With a revenue base of EUR 1.130 billion in 2022, its software products are designed to support all medical and organizational activities in doctors' offices, pharmacies, laboratories, hospitals and social welfare institutions. Its information services for all parties involved in the healthcare system and its web-based personal health records contribute towards safer and more efficient healthcare. CompuGroup Medical's services are based on a unique customer base of more than 1.6 million users, including doctors, dentists, pharmacists and other healthcare professionals in inpatient and outpatient facilities. With locations in 21 countries and products in 60 countries worldwide, CompuGroup Medical is the e-health company with one of the highest coverages among healthcare professionals. More than 9,200 highly qualified employees support customers with innovative solutions for the steadily growing demands of the healthcare system.