

Half-Year Financial Report

1 January - 30 June 2021

Financial Highlights Q2/2021

- Group revenues at 241 mEUR, up 34 % compared to prior year quarter
- Very good organic revenue growth at 10.1 %, without Telematics Infrastructure at 5.6 %
- Recurring revenue share at 67 %
- Adjusted EBITDA increase by 14 % to 51 mEUR
- EBITDA margin of 21 % below prior year due to investments in growth
- Free Cash flow with - 6 mEUR, strong half year at 65 mEUR
(prior year quarter: - 3 mEUR, prior year half year: 48 mEUR)
- Adjusted earnings per share at 0.43 EUR (prior year quarter: 0.38 EUR)
- Guidance confirmed for the financial year 2021

Financial key figures

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	Change	01.01.- 30.06.2021	01.01.- 30.06.2020	Change
Revenues	240,827	179,880	+34%	469,765	363,023	+29%
Recurring Revenues in %	67%	69%	-2 ppt	68%	68%	+0 ppt
Organic growth in %	10%	-6%	+16 ppt	7%	-2%	+9 ppt
EBITDA adjusted	51,034	44,637	+14%	97,565	88,114	+11%
EBITDA adjusted margin	21%	25%	-4 ppt	21%	24%	-3 ppt
EPS adjusted (EUR) - diluted	0.43	0.38	+13%	0.76	0.72	+6%
CAPEX	13,573	13,512	+0%	26,987	28,193	-4%
Free Cash flow	-5,774	-3,227	+79%	64,631	47,811	+35%
Number of shares outstanding ('000)	52,735	53,735	-2%	52,735	53,735	-2%

NOTICES

Unless otherwise stated, all information and explanatory notes in this report refer to the second quarter of 2021 and 2020, 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

COVID-19-pandemic

Protective measures and activities for our employees and customers remain at the focus of our actions in the context of the COVID-19-pandemic. CompuGroup Medical supports our customers indirectly or directly in overcoming the challenges of the pandemic.

In the mid-term, we continue to see increased growth opportunities as the result of the risen and sustainable readiness to use digital solutions in the healthcare sector

Electronical vaccination certificate (Impfnachweis) in Germany

At the end of May, the German Federal Ministry of Health published a tender for the creation of a certificate module for primary systems to issue COVID-19 certificates. CGM, which serves over 60,000 physicians in Germany with its physician information systems, implemented this module for its physician information systems in June 2021 and made it available to all physicians free of charge. Patients can then view these COVID-19 certificates using a QR code on an app commissioned by the German Federal Ministry of Health, such as the Corona warning app.

ePA in Germany

The electronic health record (elektronische Patientenakte - ePA) has already been promoted from the statutory health insurances side since the beginning of the year, by making the ePA available to the insured persons. The physician information systems of CGM support the filling out of the ePA with the quarterly update in June/July. The module allows a simple data transfer from the physician information system to the ePA, a view of the released documents and also a data transfer from the ePA to the index card of the physician information system.

Positive business development in the Hospital information systems

In the past quarter HIS segment achieved a very positive business development with regard to the further rollout of CGM Clinical. In addition, the Hospital Futures Act (Krankenhauszukunftsgesetz) is providing positive momentum with numerous customer contacts, projects, and several orders. With the Graubünden Conatonal Hospital in Switzerland and further 10 hospitals in Spain in the Murcia region, additional new customers were acquired.

Telematics Infrastructure

In July, CompuGroup Medical received the approval from gematik for the KoCoBox MED+ as a connector for the electronic patient record (elektronische Patientenakte - ePA). Once the ePA upgrade has been installed, the KoCoBox Med+ will support the electronical patient record application and the convenience signature for all users connected to the Telematics Infrastructure via a the KoCoBox Med+. The rollout will take place in the second half of the year and will provide the next important digitalization step in healthcare.

By the end of the second quarter, approximately 9,000 installations of the KIM module (Communication in medicine - KIM) had been carried out. KIM enables barrier-free, secure, and confidential communication between all service provider institutions and payers in the German health sector.

Additional growth through acquisitions

In June, CompuGroup Medical acquired VISUS Health IT GmbH, one of the leading providers of picture archiving and communication systems (PACS) and Healthcare Content Management in Germany. The main products of VISUS group are JiveX Enterprise PACS, a leading PACS solution for hospitals and outpatient facilities, JiveX Healthcare Content Management, a state-of-the-art vendor-neutral archiving solution, and JiveX Healthcare Connect, a communication solution for medical data. Today, VISUS group counts more than 1,500 facilities in the inpatient and outpatient sectors among its customers.

The acquisition of Aatlanta group in France, announced in March, was completed at the end of June 2021. Aatlanta group is a software provider for administrative and medical management for healthcare professionals.

The other acquisitions are described in more detail in the section on company acquisitions and disposals.

Share buyback

CompuGroup Medical conducted a share buyback program from February 26 to April 29, 2021. The buyback of shares via the stock exchange (Xetra trading on the Frankfurt Stock Exchange) is performed by a mandated securities bank. With this CompuGroup Medical made use of the authorization given by the Annual General Meeting on May 15, 2019, to repurchase treasury shares. During the period between February 26 and April 29, 2021, 1,000,000 shares in total have been repurchased at an average rate of EUR 71.25.

EARNINGS DEVELOPMENT IN THE GROUP

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
Revenues	240,827	179,880	469,765	363,023
Capitalized inhouse services and other income	13,316	12,141	23,580	21,936
Expenses for goods and services purchased	-43,028	-29,927	-84,480	-62,096
Personnel expenses	-122,269	-89,981	-236,750	-179,588
Other expenses and net impairment losses on financial and contract assets	-38,118	-29,366	-77,014	-60,417
EBITDA	50,728	42,748	95,100	82,858
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	-24,519	-17,013	-51,342	-33,795
EBIT	26,209	25,735	43,758	49,063
Financial result	-1,308	-2,508	-2,777	-7,027
EBT	24,900	23,227	40,981	42,036
Income taxes for the period	-7,717	-6,968	-12,798	-12,945
CONSOLIDATED NET INCOME FOR THE PERIOD	17,184	16,258	28,182	29,091

Compared to the prior year quarter, revenues in the second quarter increased by mEUR 60.9 (34 %) to mEUR 240.8. Organic growth in the second quarter of 2021 amounts to 10.1 % year-on-year, which is also attributable to higher revenues in connection with the Telematics Infrastructure. Excluding the revenue growth of the Telematics Infrastructure, organic growth amounts to 5.6 % in the quarter.

Compared to same period of the prior year, revenues in the first half of 2021 increased by mEUR 106.7 (29 %) to mEUR 469.8. Organic growth in the first half of 2021 amounts to 7.5 % compared to the prior year. Excluding the revenue growth of the Telematics Infrastructure, organic growth in this period amounts to 3.5 %.

Adjusted consolidated earnings before interest, taxes, depreciation, and amortization (adjusted group EBITDA) for the second quarter amounts to mEUR 51.0 (prior year: mEUR 44.6) with an adjusted EBITDA margin of 21 % (prior year: 25 %). The margin decrease is due to the announced investments in further growth.

Adjusted group EBITDA for the first half of 2021 amounts to mEUR 97.6 (prior year: mEUR 88.1) with an adjusted EBITDA margin of 21 % (prior year: 24 %). Here too, the decline in margin is attributable to the announced investments in further growth.

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

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
EBITDA REPORTED	50,728	42,748	95,100	82,858
Adjustments:				
M&A Transactions	677	819	751	3,772
Share-based option programs	-372	461	1,714	922
Restructuring program expenses	0	0	0	0
Other non-operative, extraordinary or one-time effects	0	609	0	562
EBITDA ADJUSTED	51,034	44,637	97,565	88,114

The main developments in operating expenses are:

- Expenses for goods and services purchased increased by mEUR 13.1 in the second quarter of 2021 compared to the prior year. This is mainly due to increased expenses resulting from acquisitions in the amount of mEUR 7.2. The gross margin ((Revenues less cost of purchased services)/revenue) of 82 % was 1 % below the gross margin of the prior year quarter. In the first half of 2021, the expenses for goods and services purchased amount to mEUR 84.5 (previous year: mEUR 62.1). In the first half of 2021, the gross margin reached 82 %, which is 1 % below the prior year as well. The lower gross margin for the second quarter and for the first half of 2021 is mainly attributable to the hardware business in connection with the pharmacy rollout of the Telematics Infrastructure.
- Personnel expenses increased by 36 % to mEUR 122.3 compared to prior year (mEUR 90.0). Adjusted for special items, personnel expenses were 37 % higher than the prior year quarter. The directors' remuneration (now other expenses), which is no longer reported under personnel expenses due to the change in legal form, was more than offset primarily by acquisitions, which accounted for a total of mEUR 21.7 and thus 24 %. Many new hires in the areas of product management and sales as well as general wage and salary increases also contribute to the increase in personnel expenses. In the first six months, personnel expenses increased by mEUR 57.2 to mEUR 236.8, of which mEUR 39.8 resulted from acquisitions. The increase in personnel expenses in the first half of the year is mainly due to new hires and salary increases.
- Other expenses and net impairment losses on financial and contract assets were mEUR 8.7 higher than in the prior year and amounted to mEUR 38.1. Adjusted for special effects of M&A costs, other expenses and net impairment losses on financial and contract assets were mEUR 9.9 higher than in the prior year. The reason for this increase is higher expenses for server maintenance and the reporting of directors' remuneration under other expenses following the change in legal form. Other expenses and net impairment losses on financial and contract assets in the first half of the year were mEUR 77.0 and mEUR 16.6 above the prior year.

Depreciation of property, plant and equipment and right-of-use assets amounts to mEUR 9.1 in the second quarter, which is an increase of mEUR 1.4 (prior year: mEUR 7.7). The increase in depreciation of non-current assets is mainly due to higher depreciation on right-of-use assets (IFRS 16) and increased depreciation of own-used IT equipment.

Amortization of intangible assets increased by mEUR 6.2 to mEUR 15.5 in the second quarter, mainly due to higher amortization from purchase price allocations and higher amortization on self developed software.

Depreciation of property, plant and equipment and right-of-use assets amounts to mEUR 17.4 for the first half of 2021, which is an increase of mEUR 2.3 compared to prior year. Amortization of intangible assets increased by mEUR 15.3 to mEUR 34.0 in the first half of the year.

Amortization of intangible assets breaks down as follows:

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
AMORTIZATIONS ON INTANGIBLE ASSETS	15,453	9,347	33,988	18,733
thereof from purchase price allocations for business combinations	11,803	5,689	23,144	11,378
thereof from capitalized inhouse services	1,760	1,333	7,059	2,505

Finance income increased from mEUR 0.2 in the second quarter of 2020 to mEUR 0.6 in the second quarter of this year, mainly resulting from currency gains on loans as well as interest income on loans issued. For the half-year, financial income of mEUR 0.7 was generated, which is mEUR 0.3 lower than in the same period of the prior year.

The financial expenses are structured as follows:

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
Interest and expenses on loans and financial services	1,572	1,817	2,850	4,957
Changes in purchase price liabilities	94	141	504	277
Exchange rate losses on internal liabilities in foreign currency	-85	940	-0	2,317
Capitalized interest on qualifying assets under construction (IAS 23)	-168	-248	-344	-456
Other	484	85	527	176
TOTAL	1,897	2,735	3,537	7,271

In the second quarter of 2021, consolidated net income amounts to mEUR 17.2 compared to mEUR 16.3 in the same period of the prior year. The group tax rate for the second quarter is 31.0 % compared to 30.0 % in the second quarter of last year.

Consolidated net income for the first half-year is mEUR 28.2, mEUR 0.9 lower than last year. Group tax rate for the first six months is 31.2 % (prior year: 30.8 %).

Adjusted earnings per share are as follows:

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
CONSOLIDATED NET INCOME OF THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	17,163	16,322	28,138	29,014
Adjustments:				
M&A Transactions	6,714	1,553	12,313	4,796
Share-based option programs	-230	322	1,679	645
Restructuring program expenses	0	0	0	0
Other non-operative, extraordinary or one-time effects	0	427	0	1,195
ADJUSTED CONSOLIDATED NET INCOME FOR THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	23,646	18,624	42,131	35,650
ADJUSTED UNDILUTED EARNINGS PER SHARE (IN EUR)	0.45	0.38	0.79	0.73
ADJUSTED DILUTED EARNINGS PER SHARE (IN EUR)	0.43	0.38	0.76	0.72
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)*	52,877	48,664	53,203	48,648
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)*	54,868	49,664	55,383	49,648

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

EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS

Ambulatory Information Systems (AIS)

mEUR	01.04 - 30.06.2021	01.04 - 30.06.2020	Change	01.01 - 30.06.2021	01.01 - 30.06.2020	Change
Revenues to third parties	114.7	92.5	24%	227.0	187.6	21%
thereof organic revenues*	95.3	92.5	3%	189.1	187.6	1%
Share of recurring revenues	76%	76%		77%	74%	
EBITDA adjusted	28.6	30.8	-7%	58.4	58.0	1%
in % of revenues	25%	33%		26%	31%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior year period.

- The software business with physicians and dentists achieved revenues of mEUR 114.7 for the second quarter 2021, which corresponds to an increase of 24 % compared to the prior year. This increase is primary attributable to acquisitions, especially to the acquisition of eMDs Inc. in the USA.
- Inorganic Effects contribute with mEUR 19.4 to the revenues in the second quarter of 2021.
- Organically, revenues grew by 3 % which is mainly due to a strong European AIS business. In addition, a new module for linking dental and physician information systems to the electronic patient record (ePA) was successfully placed on the market.
- Recurring revenues in the AIS segment increase by 24 % to mEUR 87.4. The share of recurring revenues in relation to total revenues has not change compared to the prior year.
- Adjusted EBITDA of mEUR 28.6 is - 7 % below the second quarter of the prior year. The EBITDA margin declined because of increased investments in development activities.

Hospital Information Systems (HIS)

mEUR	01.04 - 30.06.2021	01.04 - 30.06.2020	Change	01.01 - 30.06.2021	01.01 - 30.06.2020	Change
Revenues to third parties	62.1	33.4	86%	117.2	67.1	75%
thereof organic revenues*	38.5	33.4	15%	75.1	67.1	12%
Share of recurring revenues	63%	65%		65%	65%	
EBITDA adjusted	13.2	5.4	145%	20.9	9.6	117%
in % of revenues	21%	16%		18%	14%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior year period.

- The acquisition of the IT Healthcare portfolio from Cerner Corporation at the end of the second quarter of 2020 was the main contributor to the strong revenue growth of 86 % in the HIS segment.
- In addition, the HIS segment also achieved excellent organic growth. Adjusted for inorganic effects of mEUR 23.6, the increase amounts to 15 %. This is due to a very good development in the German and Polish project business as well as a strong laboratory business.
- Recurring sales increased by 80 % to mEUR 39.2 due to acquisitions. In relation to total sales, recurring sales increased less strongly.
- Adjusted EBITDA of mEUR 13.2 is significantly higher than the previous year's figure of mEUR 5.4, mainly due to acquisitions.

Consumer and Health Management Information Systems (CHS)

mEUR	01.04 - 30.06.2021	01.04 - 30.06.2020	Change	01.01 - 30.06.2021	01.01 - 30.06.2020	Change
Revenues to third parties	35.5	25.2	41%	69.2	50.5	37%
thereof organic revenues*	35.8	25.2	42%	69.7	50.5	38%
Share of recurring revenues	40%	50%		42%	50%	
EBITDA adjusted	5.7	4.4	31%	10.9	9.3	18%
in % of revenues	16%	17%		16%	18%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior year period.

- Revenues in the CHS segment increased by 41 % to mEUR 35.5.
- Adjusted for inorganic effects, organic revenue growth of 42 % was largely attributable to the pharmacy rollout of the Telematics Infrastructure business unit. Adjusted for the growth of the telematics infrastructure, there was strong organic growth of 10 %, which was attributable to the very good data business (Intermedix).
- Adjusted EBITDA of mEUR 5.7 is 31 % higher than in the previous year. The EBITDA margin is lower than in the previous year, due higher hardware revenues as part of the ongoing telematics infrastructure rollout and increased growth investments.

Pharmacy Information Systems (PCS)

mEUR	01.04 - 30.06.2021	01.04 - 30.06.2020	Change	01.01 - 30.06.2021	01.01 - 30.06.2020	Change
Revenues to third parties	28.4	28.8	-1%	56.3	57.6	-2%
thereof organic revenues*	28.4	28.8	-1%	56.3	57.6	-2%
Share of recurring revenues	69%	66%		70%	66%	
EBITDA adjusted	8.4	7.5	12%	16.4	16.4	-0%
in % of revenues	29%	26%		29%	28%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior year period.

- Revenues in the Pharmacy Software business amounted to mEUR 28.4 in the second quarter of 2021, down 1 % on the previous year.
- Recurring revenues in the PCS segment increased by 3 % year-on-year to mEUR 19.5.
- Adjusted EBITDA of mEUR 8.4 is above the previous year's figure of mEUR 7.5 due to a positive business development in Italy.

Other segments and consolidation

mEUR	01.04 - 30.06.2021	01.04 - 30.06.2020	Change	01.01 - 30.06.2021	01.01 - 30.06.2020	Change
Sales to third parties	0.0	0.0	0%	0.0	0.2	-79%
EBITDA adjusted	-4.9	-3.4	-43%	-9.0	-5.2	-73%

- Adjusted EBITDA in other business activities and consolidation was mEUR 1.5 lower than in the previous year.
- The adjusted special items for the second quarter of 2021 are income of mEUR 0.4 related to stock option programs. The first quarter of 2020 includes adjusted special items totaling mEUR 1.9.

Staff Development

Staff Development	30.06.2021	30.06.2020	31.12.2020
Number of employees (HC)	8,468	5,826	7,814
thereof from acquisitions at time of acquisition	272	36	1,832
Full-time equivalent (FTE)*	8,030	5,444	7,384

* 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 654 employees compared with the end of 2020, of which 272 employees resulted from acquisitions. The number of FTEs increased by 646 compared with the end of the year. The majority of the new hires were in the areas of product management and sales.

NET ASSETS OF THE GROUP

kEUR	30.06.2021		31.12.2020		Changes	
Non-current assets	1,350,841	80%	1,257,662	80%	93,179	7%
Current assets	333,106	20%	308,110	20%	24,996	8%
TOTAL ASSETS	1,683,947	100%	1,565,772	100%	118,175	8%

kEUR	30.06.2021		31.12.2020		Changes	
Equity	576,625	34%	638,937	41%	-62,312	-10%
Non-current liabilities	742,766	44%	636,300	41%	106,467	17%
Current liabilities	364,556	22%	290,535	19%	74,020	25%
TOTAL LIABILITIES	1,683,947	100%	1,565,772	100%	118,175	8%

The largest changes in assets are as follows:

- Increase in intangible assets by mEUR 68.6 to mEUR 1,156.7 mainly due to acquisitions as well as the capitalization of self developed software.
- Increase in rights-of-use assets by mEUR 4.5 to mEUR 49.1, primarily due to new leases and extensions of real estate leases.
- Increase of Investments in associates and joint ventures (valued at-equity) and other investments by mEUR 14.5 to mEUR 16.5, mainly due to the acquisition of Aatlanta group as of June 30, 2021, which was not fully consolidated as of the balance sheet date and the acquisition of a 30 % interest in 4K S.r.l. in Italy.
- Increase in inventory by mEUR 2.9 to mEUR 21.1. Inventories mainly comprise goods for CGM's hardware and peripheral equipment business as well as components of the Telematics Infrastructure.
- Increase in current other non-financial assets by mEUR 12.3 to mEUR 36.7. This mainly results from prepaid expenses and an increase in the pre-tax surplus.
- Increase of cash and cash equivalents from mEUR 75.9 at year-end 2020 by mEUR 14.6 to mEUR 90.5. Cash and cash equivalents mainly result from the overall strong Free Cash flow in the first half of 2021.

All other assets were subject to minor changes in absolute figures as of the first half of 2021.

Group equity decreased from mEUR 638.9 as of December 31, 2020 to mEUR 576.6 as of June 30, 2021. The change in equity results mainly from the repurchase of treasury shares in the first half of 2021, the dividend payment, adjustments to other comprehensive income (currency translation and employee benefits) and, in the opposite direction, from net income.

The following significant changes occurred in current and non-current liabilities compared to year-end 2020:

- Increase of current and non-current liabilities to banks by mEUR 133.8 from mEUR 496.4 to mEUR 630.2 due to borrowings.
- Increase of current contract liabilities by mEUR 54.2 from mEUR 63.9 to mEUR 118.1. This increase is mainly due to advance payments for software maintenance contracts.
- Decrease in trade payables by mEUR 6.8 from mEUR 64.5 to mEUR 57.7.

All other current and non-current liabilities were subject to minor changes in absolute figures as of the first half of 2021.

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.- 30.06.2021	01.04.- 30.06.2020	Changes	01.01.- 30.06.2021	01.01.- 30.06.2020	Changes
OPERATING CASH FLOW	7,799	10,285	-2,486	91,618	76,004	15,614
CASH FLOW FROM INVESTING ACTIVITIES	-87,148	-13,244	-73,904	-101,731	-37,231	-64,500
FREE CASH FLOW	-5,774	-3,227	-2,547	64,631	47,811	16,820
CASH FLOW FROM FINANCING ACTIVITIES	81,465	306,646	-225,181	24,206	279,248	-255,042
CHANGE IN CASH AND CASH EQUIVALENTS	2,116	303,687	-301,571	14,093	318,021	-303,928
Changes due to exchange rate fluctuations	-483	77	-560	470	-1,526	1,996
Cash and cash equivalents at the beginning of the period	0	0	0	75,910	46,350	29,560
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,633	303,764	-302,131	90,473	362,845	-272,372
NET DEBT*				599,032	123,234	475,798
LEVERAGE (LTM)**				2.55	0.63	1.92

* 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

In the second quarter of 2021, free cash flow amounts to mEUR - 5.8 compared to mEUR - 3.2 in the same period of the prior year. The negative development of the free cash flow in the reporting period results, among other things, from the harmonization of bonus payments in the group already mentioned in the prior quarterly report.

At mEUR 64.6, free cash flow in the first six months is mEUR 16.8 higher than in the same period last year.

The derivation of free cash flow is shown below:

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
OPERATING CASH FLOW	7,799	10,285	91,618	76,004
CASH FLOW FROM INVESTING ACTIVITIES	-87,148	-13,244	-101,731	-37,231
./ Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	66,178	-822	67,347	6,467
./ Cash outflow for acquisitions from prior periods	4,452	554	4,452	1,291
./ Cash inflow from the disposal of subsidiaries and business units	-400	0	-400	0
./ Cash outflow for capital expenditures in joint ventures and other equity investments	3,345	0	3,345	1,280
FREE CASH FLOW	-5,774	-3,227	64,631	47,811

Cash flow from investing activities amounts to mEUR - 87.1 in the second quarter of 2021, compared to mEUR - 13.2 in the same period in prior year. For the first six months of 2021 the cash flow from investing activities is mEUR - 101.7 (prior year: mEUR - 37.2)

The investments are shown below:

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020
Company acquisition	-66,178	822	-67,347	-6,467
Purchase of minority interest and past acquisition	-4,452	-554	-4,452	-1,291
Capitalized in-house services and other intangible assets	-9,363	-10,340	-18,612	-19,346
Joint ventures and other equity investments	-3,345	0	-3,345	-1,280
Office building and property	-947	-385	-1,119	-3,272
Other property and equipment	-3,263	-2,787	-7,256	-5,575
Sale of subsidiaries and business operations	400	0	400	0
TOTAL	-87,148	-13,244	-101,731	-37,231

Cash flow from financing activities amounts to mEUR 81.5 in the second quarter of 2021 (prior year: mEUR 306.6). The mEUR 225.1 lower cash flow from financing activities is largely due to the capital increase and placement of treasury shares in the second quarter of 2020. This is offset by a mEUR 139.7 increase in net borrowings compared to the prior year.

In the first half of 2021, financing activities generate cash inflows of mEUR 24.2 (prior year: mEUR 279.2).

As of June 30, 2021, cash and cash equivalents amount to mEUR 90.5 (prior year: mEUR 362.8). The reported cash and cash equivalents also include restricted cash.

Net debt as at June 30, 2021 is mEUR 599.0, mEUR 119.1 higher than the net debt of mEUR 479.9 as at December 31, 2020. Leverage is 2.55 (December 31, 2020: 2.04) and thus meets the requirements of the existing credit agreement.

REPORT ON OPPORTUNITIES AND RISKS

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 2020, which can be downloaded at www.cgm.com.

The assessment model for data privacy risks, which was renewed in the 2019 financial year, was revised again in the 2020 financial year to take account of the assessment requirements of the specialist area. However, neither this concretization of data privacy risks nor other changes resulted in individual risks or combination effects that threaten the continued existence of the company. The effects of the COVID-19-pandemic are discussed separately in the respective chapter of the same name.

GUIDANCE FOR CGM GROUP

Group

The guidance for the financial year 2021 published on February 4, 2021 is confirmed.

For 2021, CGM continues to expect revenues in a range of mEUR 1,000 to mEUR 1,040, corresponding to revenue growth of 19 % to 24 %.

Recurring revenues are expected to be above 60 %.

Organic growth is expected in a range of 4 % and 8 %.

Adjusted EBITDA is expected in a range of mEUR 210 to mEUR 230.

Adjusted earnings per share (diluted) are expected to be between EUR 1.70 and EUR 1.95.

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

Free Cash flow is expected to be above mEUR 80.

Segments

- AIS revenues are expected to be in the range of mEUR 485 to mEUR 500.
- Revenues for the HIS segment are expected to be in the range of mEUR 240 to mEUR 250.
- The CHS segment is expected to generate revenues between mEUR 160 and mEUR 170.
- The PCS segment is expected to generate revenues of mEUR 115 to mEUR 120.

The above guidance for the current financial year was prepared in January 2021 and does not consider any effects from currently pending acquisitions and potential transactions in the course of the financial year 2021. The guidance for 2021 represents management's best estimate of future market conditions and the development of CompuGroup Medical's business segments in this environment and may be affected in particular by delays in the implementation of the Telematics Infrastructure for which the Company is not responsible. In addition, the further impact of the global COVID-19-pandemic cannot be fully assessed. The 2021 guidance could also be influenced by exchange rate effects (in particular changes in the U.S. dollar exchange rate against the Euro).

CompuGroup 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.

Interim Statement of Financial Position

as at 30 June 2021

ASSETS

kEUR	30.06.2021	30.06.2020	31.12.2020
Non-current assets			
Intangible assets	1,156,712	673,236	1,088,105
Property, plant and equipment	93,702	90,159	91,739
Right-of-use assets	49,109	42,072	44,552
Investments in associates and joint ventures (valued at-equity) and other participations	16,501	152	2,001
Other investments	642	1,995	640
Finance lease receivables	13,510	14,305	14,169
Contract assets	25	0	36
Other financial assets	13,770	9,255	10,267
Other non-financial assets	1,200	1,200	1,200
Deferred taxes	5,670	7,358	4,953
	1,350,841	839,732	1,257,662
Current assets			
Inventories	21,064	32,689	18,158
Trade receivables	136,295	110,282	137,203
Finance lease receivables	9,570	8,435	9,686
Contract assets	21,643	12,623	23,433
Other financial assets	982	2,405	2,663
Other non-financial assets	36,714	23,284	24,405
Income tax receivables	16,365	11,947	16,652
Cash & cash equivalents	90,473	362,845	75,910
	333,106	564,510	308,110
	1,683,947	1,404,242	1,565,772

SHAREHOLDER EQUITY AND LIABILITIES

kEUR	30.06.2021	30.06.2020	31.12.2020
Equity			
Subscribed capital	53,735	53,735	53,735
Treasury shares	-71,353	0	0
Reserves	593,929	547,205	584,932
Capital and reserves allocated to the shareholders of the parent company	576,311	600,939	638,666
Non-controlling interests	314	244	270
	576,625	601,183	638,937
Non-current liabilities			
Provisions for post-employment benefits and other non-current provisions	47,451	31,266	43,707
Liabilities to banks	558,314	407,074	461,061
Contract liabilities	6,236	4,814	6,628
Purchase price liabilities	3,807	6,798	3,780
Lease liabilities	28,564	27,500	27,989
Other financial liabilities	6,958	11,429	9,144
Other non-financial liabilities	1,202	1,198	1,200
Deferred taxes	90,234	71,903	82,791
	742,766	561,982	636,300
Current liabilities			
Liabilities to banks	71,837	19,281	35,298
Contract liabilities	118,064	84,222	63,894
Purchase price liabilities	8,730	8,408	12,078
Trade payables	57,749	36,425	64,524
Income tax liabilities	8,576	14,942	19,364
Other provisions	45,796	38,742	47,277
Lease liabilities	19,365	13,912	16,576
Other financial liabilities	10,196	9,038	9,837
Other non-financial liabilities	24,242	16,107	21,687
	364,556	241,077	290,535
	1,683,947	1,404,242	1,565,772

Interim Income Statement

for the reporting period of 1 January – 30 June 2021

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020	01.01.- 31.12.2020
Revenues	240,827	179,880	469,765	363,023	837,259
Capitalized inhouse services	8,064	9,299	15,941	17,321	31,872
Other income	5,252	2,843	7,638	4,615	10,562
Expenses for goods and services purchased	-43,028	-29,927	-84,480	-62,096	-156,178
Personnel expenses	-122,269	-89,981	-236,750	-179,588	-377,052
Net impairment losses on financial and contract assets	-865	-196	-1,736	-1,117	-4,292
Other expenses	-37,253	-29,170	-75,278	-59,300	-144,695
Earnings before interest, taxes, depreciation and amortization (EBITDA)	50,728	42,748	95,100	82,858	197,476
Depreciation of property, plant and equipment and right-of-use assets	-9,066	-7,666	-17,353	-15,063	-30,856
Earnings before interest, taxes and amortization (EBITA)	41,662	35,082	77,747	67,795	166,620
Amortization of intangible assets	-15,453	-9,347	-33,988	-18,732	-44,851
thereof from purchase price allocations	-11,572	-5,689	-23,144	-11,378	-31,056
Earnings before interest and taxes (EBIT)	26,209	25,735	43,758	49,063	121,769
Result from companies accounted for using the equity method	0	-182	11	-785	-931
Financial income	589	409	749	1,029	2,651
Financial expenses	-1,897	-2,735	-3,537	-7,271	-13,063
Earnings before taxes (EBT)	24,900	23,227	40,981	42,036	110,426
Income taxes for the period	-7,717	-6,969	-12,798	-12,945	-37,006
Results from continued operations	17,184	16,258	28,182	29,091	73,420
Profit for the period from discontinued operations	0	0	0	0	0
Consolidated net income for the period	17,184	16,258	28,182	29,091	73,420
of which: allocated to shareholders of the parent company	17,163	16,322	28,138	29,014	73,192
of which: allocated to non-controlling interests	21	-64	44	77	228
Earnings per share (from continuing operations)					
undiluted (EUR)	0.33	0.34	0.53	0.60	1.43
diluted (EUR)	0.31	0.32	0.51	0.58	1.40

Interim Statement of Comprehensive Income

for the reporting period of 1 January – 30 June 2021

KEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020	01.01.- 31.12.2020
Consolidated net income for the period	17,183	16,258	28,182	29,091	73,420
Items that will not be reclassified to profit or loss:					
Actuarial gains and losses arising from post-employment benefits	-2,703	149	-2,301	618	-1,855
Change in actuarial gains and losses	-3,648	215	-3,092	867	-2,617
Deferred income taxes for the period	945	-66	792	-249	762
Items that may be reclassified to profit or loss:					
Currency conversion differences	-2,525	266	7,925	-2,786	-7,824
Changes in equity	-2,525	3,190	7,925	-2,281	350
Changes in profit or loss (recycling)	0	-2,924	0	-505	-8,174
Operating income and expense recognized directly in equity (Other comprehensive income)	-5,228	415	5,624	-2,168	-9,678
Total comprehensive income	11,955	16,674	33,806	26,923	63,742
of which: allocated to shareholders of the parent company	11,935	16,737	33,762	26,846	63,514
of which: allocated to non-controlling interests	21	-63	44	77	228

Cash Flow Statement

as at 30 June 2021

kEUR	01.04.- 30.06.2021	01.04.- 30.06.2020	01.01.- 30.06.2021	01.01.- 30.06.2020	01.01.- 31.12.2020
Consolidated net income for the period	17,183	16,258	28,182	29,091	73,420
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	24,519	17,013	51,342	33,795	75,707
Earnings on sale of fixed assets	-27	-18	-45	-35	-136
Change in provisions (including income tax liabilities)	-12,399	1,057	-13,703	-6,591	3,378
Deferred tax income/expense	-1,058	-345	-334	-521	6,277
Other non-cash earnings/ expenditures	-1,515	-2,225	1,302	4,287	3,395
	26,703	31,740	66,744	60,026	162,041
Change in inventories	-6,302	-3,006	-2,732	-5,086	9,494
Change in trade receivables and other receivables	21,328	15,160	269	-10,176	-34,823
Change in income tax receivables	-1,172	-1,431	185	7,412	3,114
Change in other receivables	200	4,636	-12,509	-6,249	-2,532
Change in trade payables	-392	-2,744	-11,327	-11,213	11,262
Change contract liabilities	-21,458	-24,892	46,758	39,740	-3,946
Change in other liabilities	-11,108	-9,178	4,230	1,550	5,322
Operating cash flow	7,799	10,285	91,618	76,004	149,931
Cash inflow from disposals of intangible assets	0	0	0	0	0
Cash outflow for capital expenditure in intangible assets	-9,363	-10,340	-18,612	-19,346	-38,045
Cash inflow from disposals of property, plant and equipment	323	100	571	123	660
Cash outflow for capital expenditure in property, plant and equipment	-4,533	-3,272	-8,946	-8,970	-17,684
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	-66,178	822	-67,347	-6,467	-397,108
Cash outflow for acquisitions from prior periods	-4,452	-554	-4,452	-1,291	-3,132
Cash inflow from the disposal of subsidiaries and business units	400	0	400	0	220
Cash outflow for capital expenditures in joint ventures and other equity investments	-3,345	0	-3,345	-1,280	-2,027
Cash flow from investing activities	-87,148	-13,244	-101,731	-37,231	-457,116
Cash inflow from the issue of shares	0	32,725	0	32,725	32,686
Cash inflow from the sale of treasury shares	0	305,303	0	305,303	305,304
Buyback of own shares	-30,067	0	-71,353	0	0
Dividend paid	-26,367	-24,206	-26,367	-24,206	-24,206
Capital paid to non-controlling interests	0	0	0	0	-162
Acquisition of additional shares from non-controlling interests	0	0	0	-400	-400
Downpayment of lease liabilities	-5,005	-4,012	-9,712	-8,110	-16,764
Cash inflow from borrowing of loans	164,894	-455	207,857	401,402	489,048
Cash outflow from the repayment of loans	-21,990	-2,709	-76,219	-427,466	-447,433
Cash flow from financing activities	81,465	306,646	24,206	279,248	338,073
Cash and cash equivalents at the beginning of the period	0	0	75,910	46,350	46,350
Change in cash and cash equivalents	2,116	303,687	14,093	318,021	30,888
Changes due to exchange rate fluctuations	-483	77	470	-1,526	-1,328
Cash and cash equivalents at the end of the period	1,633	303,764	90,473	362,845	75,910
Interest paid	1,854	1,692	2,246	5,721	5,412
Interest received	341	793	535	1,117	1,432
Income taxes paid	15,660	14,327	20,739	21,183	20,554

Changes in Consolidated Equity

as at 30 June 2021

kEUR	Subscribed capital	Treasury shares	Reserves	Accumulated other comprehensive income Currency translation	Equity attributable to shareholders of CGM SE & Co. KGaA	Non-controlling interest	Consolidated equity
Balance as at 31.12.2019	53,219	-86,322	310,712	-18,504	259,105	811	259,916
Consolidated net income for the period	0	0	73,192	0	73,192	228	73,420
Other comprehensive income	-0	0	-1,855	-7,824	-9,678	0	-9,678
Actuarial gains and losses	0	0	-1,855	0	-1,855	0	-1,855
Currency conversion differences	-0	0	-0	-7,824	-7,824	0	-7,824
Total comprehensive income	-0	0	71,337	-7,824	63,514	228	63,742
Transactions with shareholders	516	86,322	229,210	0	316,048	-769	315,279
Dividend distribution	0	0	-24,206	0	-24,206	-162	-24,368
Stock option program	0	0	2,059	0	2,059	0	2,059
Additional purchase of shares from non-controlling interests after control	0	0	207	0	207	-607	-400
Issue of treasury shares	0	86,322	218,981	0	305,303	0	305,303
Balance as at 31.12.2020	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 2021

	Segment AIS Ambulatory Information Systems			Segment HIS Hospital Information Systems			Segment CHS Consumer and Health Man- agement Information Systems			Segment PCS Pharmacy Information Systems		
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
kEUR	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	226,967	187,615	375,204	117,227	67,073	186,588	69,190	50,537	158,399	56,336	57,592	116,791
thereof Software license	21,329	13,185	28,064	11,695	6,544	22,950	450	411	1,065	2,272	2,835	6,050
thereof Hardware	10,592	17,012	30,319	5,568	2,993	12,362	13,574	1,826	47,600	10,103	11,877	24,809
thereof Professional Services	17,211	16,694	32,536	23,106	13,901	38,067	6,039	6,468	18,582	4,418	4,586	9,686
thereof Software Maintenance & hotline	125,219	112,623	227,397	57,753	34,584	83,102	5,277	5,123	10,925	18,983	17,876	36,221
thereof Other recurring revenues	49,125	26,911	54,352	19,007	8,914	29,859	23,482	20,117	43,606	20,352	20,196	39,256
thereof Adverting, eDetailing and Data	288	250	441	0	0	0	19,748	15,576	35,947	134	246	767
thereof Other revenue	3,202	939	2,095	97	136	248	621	1,016	675	74	-25	2
Point in time of revenue recognition												
at a specific point in time	16,055	21,685	38,571	8,092	3,657	16,989	14,286	2,906	63,039	10,766	12,885	12,359
over a period of time	210,913	165,930	336,633	109,135	63,416	169,599	54,904	47,631	95,359	45,571	44,707	104,432
	226,967	187,615	375,204	117,227	67,073	186,588	69,190	50,537	158,399	56,336	57,592	116,791
thereof recurring revenues	174,344	139,534	281,749	76,760	43,498	112,961	28,759	25,240	54,531	39,335	38,072	75,478
Revenues between segments	24,678	14,005	51,365	3,119	3,089	6,066	7,005	5,402	19,036	1,498	1,207	5,953
Segment Revenues	251,645	201,619	426,569	120,346	70,162	192,654	76,195	55,939	177,435	57,834	58,799	122,744
Capitalized inhouse services	2,547	5,042	8,119	7,941	6,152	13,155	3,780	4,643	7,011	1,674	1,161	2,650
Other income	3,692	2,313	6,179	4,330	1,797	2,743	250	567	1,569	1,222	526	1,102
Expenses for goods and ser- vices purchased	-54,340	-41,542	-99,891	-20,978	-9,533	-37,831	-33,527	-18,778	-68,020	-14,911	-15,563	-32,762
Personnel costs	-101,581	-75,828	-150,053	-67,402	-42,219	-102,985	-21,478	-17,345	-36,450	-21,129	-19,881	-41,381
Other expenses	-44,180	-33,699	-73,189	-23,517	-16,742	-38,862	-14,296	-15,423	-32,883	-8,336	-8,681	-18,854
EBITDA	57,783	57,906	117,733	20,720	9,618	28,874	10,924	9,605	48,662	16,354	16,360	33,499
in % of revenues	25.5%	30.9%	31.4%	17.7%	14.3%	15.5%	15.8%	19.0%	30.7%	29.0%	28.4%	28.7%
Depreciation of property, plant and equipment and right-of-use assets												
Amortization of intangible assets												
EBIT												
Results from associates recog- nised at equity												
Financial income												
Financial expense												
EBT												
Taxes on income for the period												
Profit for the period from dis- continued operations												
Consolidated net income for the period												
in % of revenues												

	All other Segments			Sum Segments			Consolidation			CGM Group		
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
	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	44	207	277	469,765	363,023	837,259	0	0	0	469,765	363,023	837,259
thereof Software license	0	2	3	35,745	22,977	58,131	0	0	0	35,745	22,977	58,131
thereof Hardware	0	0	0	39,837	33,709	115,090	0	0	0	39,837	33,709	115,090
thereof Professional Services	44	170	239	50,820	41,820	99,110	0	0	0	50,820	41,820	99,110
thereof Software Maintenance & hotline	0	0	0	207,232	170,206	357,645	0	0	0	207,232	170,206	357,645
thereof Other recurring revenues	-0	0	0	111,966	76,137	167,073	0	0	-0	111,966	76,137	167,073
thereof Adverting, eDetailing and Data	0	0	0	20,170	16,073	37,155	0	0	0	20,170	16,073	37,155
thereof Other revenues	-0	35	36	3,994	2,102	3,055	0	0	0	3,994	2,102	3,055
Point in time of revenue recognition												
at a specific point in time	-0	35	36	49,198	41,168	130,994	0	0	0	49,198	41,168	130,994
over a period of time	44	172	241	420,566	321,856	706,265	0	0	0	420,566	321,856	706,265
	44	207	277	469,765	363,023	837,259	0	0	0	469,765	363,023	837,259
thereof recurring revenues	-0	0	0	319,198	246,343	524,718	-0	0	0	319,198	246,343	524,718
Revenues between segments	4,413	9,617	18,321	40,713	33,321	100,740	-40,713	-33,321	-100,740	0	0	0
Segment Revenues	4,457	9,824	18,598	510,478	396,344	937,999	-40,713	-33,321	-100,740	469,765	363,023	837,259
Capitalized inhouse services	0	322	937	15,941	17,321	31,872	0	0	0	15,941	17,321	31,872
Other income	41,558	27,507	59,072	51,053	32,712	70,665	-43,414	-28,096	-60,103	7,638	4,615	10,562
Expenses for goods and services purchased	-1,505	-1,622	-2,761	-125,262	-87,038	-241,265	40,782	24,941	85,087	-84,480	-62,096	-156,178
Personnel costs	-25,395	-25,587	-48,023	-236,986	-180,859	-378,893	236	1,271	1,841	-236,750	-179,588	-377,052
Other expenses	-29,770	-21,429	-58,622	-120,098	-95,973	-222,410	43,084	35,557	73,423	-77,014	-60,417	-148,987
EBITDA	-10,654	-10,984	-30,799	95,126	82,506	197,969	-26	352	-493	95,100	82,858	197,476
in % of revenues				20.2%	22.7%	23.6%				20.2%	22.8%	23.6%
Depreciation of property, plant and equipment and right-of-use assets										-17,353	-15,063	-30,856
Amortization of intangible assets										-33,988	-18,733	-44,851
EBIT										43,758	49,063	121,769
Results from associates recognised at equity										11	-785	-931
Financial income										749	1,029	2,651
Financial expense										-3,537	-7,272	-13,063
EBT										40,981	42,036	110,426
Taxes on income for the period										-12,798	-12,945	-37,006
Profit for the period from discontinued operations										0	0	0
Consolidated net income for the period										28,182	29,091	73,420
in % of revenues										6.0%	8.0%	8.8%

Explanatory Notes Continued

GENERAL ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

General Accounting Principles

This condensed half-year financial report is a consolidated financial statement as of June 30, 2021. 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, 2021, has been prepared like the consolidated financial statements as of December 31, 2020, 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, 2021, 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, 2020. For further information, please refer to the consolidated financial statements as of December 31, 2020. 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.	
	30.06.2021	31.12.2020	2021	2020
1 EUR corresponds to				
Denmark (DKK)	7.44	7.44	7.44	7.46
Canada (CAD)	1.47	1.56	1.50	1.50
India (INR)	88.32	89.66	88.41	81.70
Norway (NOK)	10.17	10.47	10.18	10.73
Poland (PLN)	4.52	4.56	4.54	4.41
Romania (RON)	4.93	4.87	4.90	4.82
Russia (RUB)	86.77	91.47	89.55	76.67
Sweden (SEK)	10.11	10.03	10.13	10.66
Switzerland (CHF)	1.10	1.08	1.09	1.06
South Africa (ZAR)	17.01	18.02	17.52	18.31
Czech Republic (CZK)	25.49	26.24	25.85	26.33
Turkey (TRY)	10.32	9.11	9.52	7.15
United Kingdom (GBP)	0.86	0.90	0.87	0.87
USA (USD)	1.19	1.23	1.21	1.10

Unless otherwise stated, all information and explanatory notes in this report refer to the second quarter of 2021 and 2020, 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.

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, 2020, except for new standards to be applied in the current financial year. Furthermore, assumptions have been made for the current financial year 2021 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 2021

CompuGroup Medical SE & Co. KGaA has implemented all accounting standards adopted by the EU and required to be applied from January 1, 2021.

Standard (Issue date)	Subject matter:	Effective for financial years beginning on or after (EU)
Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9 (June 25, 2020)	The effective date of IFRS 17, which will replace IFRS 4, is now January 1, 2023 and the specified expiry date of the temporary exemption from the application of IFRS 9 in IFRS 4 has been deferred to 1 January 2023.	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2 (August 27, 2020)	The new accounting requirements are intended to support companies in applying IFRS in connection with changes in contractual cash flows or hedging relationships due to the IBOR reform. Effects may arise from a new calculation logic for interest when a benchmark interest rate for the calculation of interest on a financial asset is replaced by an alternative benchmark rate.	January 1, 2021

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 2020.

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

There are no standards, interpretations and amendments to standards to published standards that have been adopted by the EU but are to be applied at a later date.

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, 2021. The application of these IFRS and IFRIC is conditional upon their pending endorsement by the EU.

Standard (Issue date)	Subject matter	Effective for financial years beginning on or after (EU)
Amendments to IFRS 3: Business Combinations (May 14, 2020)	Changes to update an outdated reference without significantly changing the rules in the standard	January 1, 2022
Amendments to IAS 16: Property, Plant and Equipment (May 14, 2020)	Changes in pre-use income arising from the disposal of items produced while putting an item of property, plant and equipment into the location and condition necessary for it to be capable of operating in the manner intended by management	January 1, 2022
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets (May 14, 2020)	The amendments deal in particular with costs that an entity should include as costs of performing a contract when assessing whether a contract is unfavourable.	January 1, 2022
Annual Improvements 2018-2020 (May 14, 2020)	The annual improvement process concerns the following standards: IFRS 1, IFRS 9, IFRS 16, IAS 41.	January 1, 2022
IFRS 17 (May 18, 2017); including amendments to IFRS 17 (June, 25 2020)	This standard makes a consistent international accounting standard for insurance businesses available. The objective is to raise transparency and comparability of insurance accountings.	January 1, 2023
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 1: Disclosure of Accounting policies (February 12, 2021)	The amendments aim to ensure that material information relating to accounting policies is disclosed in the financial statements rather than explaining significant accounting policies. Information about accounting policies is material, if users of the financial statements need it to understand other material information in the financial statements.	January 1, 2023
Amendments to IAS 8: Definition of Accounting Estimates (February 12, 2021)	The amendment is intended to make the distinction between changes in accounting policies and changes in accounting estimates clearer and easier to understand. Changes in accounting policies must generally be applied retrospectively, while changes in accounting estimates must be applied prospectively.	January 1, 2023
Amendments to IFRS 16: Covid-19-related Rent Concessions (March 31, 2021)	The IASB amended IFRS 16 Leases in May 2020 to provide lessees with relief from assessing whether a COVID-19-related lease concession constitutes a lease modification. As the impact of the COVID-19-pandemic is ongoing and significant, the relief period has been extended to June 30, 2022.	IASB effective date: April 1, 2021 Not yet endorsed by EU
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

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.

SELECTED EXPLANATORY NOTES

Changes in the business and the economic environment

In comparison to the financial year 2020, the first six months of 2021, 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, 2021 includes the financial statements of CompuGroup Medical SE & Co. KGaA and the companies controlled by the company (subsidiaries) as of June 30, 2021. 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, 2020, the scope of consolidation has changed as follows:

Changes in scope of consolidation	Germany	Foreign countries	Total
CompuGroup Medical SE & Co. KGaA and consolidated subsidiaries:			
As at January 1, 2021	32	63	95
Additions	4	4	8
Disposals / Merger	2	1	3
As at June 30, 2021	34	66	100

The disposals from the scope of consolidation result from the intragroup merger of BWG Computer Systeme GmbH and CGM Medistar Systemhaus GmbH into CGM Systemhaus GmbH (formerly Turbomed Vertriebs- und Service GmbH), all in Germany and the merger of Schuyler House Inc. into CompuGroup Medical Inc. in the USA.

The additions result from CGM's acquisition in 2021 of the already merged BWG Computer Systeme GmbH, the Meta-it GmbH, the VISUS Health IT GmbH, and the VISUS IT Services GmbH in Germany. In addition, there are the foreign acquisitions of the VISUS IT Solutions AG in Switzerland, the Portavita B.V. and the MGRID B.V. in the Netherlands, as well as the Portavita LLC in Russia.

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.

Company acquisitions and disposals

kEUR	Total	BWG Computer Systeme GmbH	Portavita Group	Visus Group	Meta-it GmbH	Other additions
Acquisition date		01.01.2021	01.04.2021	01.06.2021	01.06.2021	
Shares acquired in %		100%	100%	100%	100%	
Assets acquired and liabilities assumed that were recognized as at the acquisition date						
Non-current assets	27,384	1,921	3,688	18,847	2,928	0
Standard and special software	6,465	3	400	5,660	402	0
Customer relationships	17,235	1,882	2,323	10,859	2,171	0
Trademark rights	2,128	0	40	1,799	289	0
Property and buildings	10	0	5	5	0	0
Other equipment, plant and office equipment	807	36	196	509	66	0
Right-of-use assets	422	0	422	0	0	0
Other non-current financial assets	51	0	36	15	0	0
Deferred tax assets	266	0	266	0	0	0

Explanatory Notes Continued

Current assets	11,823	606	1,503	8,296	1,418	0
Inventories	172	20	0	152	0	0
Trade receivables	2,881	140	753	1,932	56	0
Other current financial assets	452	1	0	450	1	0
Other current non-financial assets	983	4	651	200	128	0
Income tax receivables	33	0	0	16	17	0
Cash and cash equivalents	7,302	441	99	5,546	1,216	0
Non-current liabilities	7,696	565	854	5,418	859	0
Liabilities to banks	-50	0	0	-50	0	0
Deferred tax liabilities	7,746	565	854	5,468	859	0
Current liabilities	12,638	430	3,625	7,242	1,341	0
Contract liabilities	3,633	1	0	2,489	1,143	0
Trade payables	4,344	99	135	4,108	2	0
Other provisions	1,129	298	634	56	141	0
Leasing liabilities	455	0	455	0	0	0
Income tax liabilities	4,343	0	4,291	52	0	0
Other financial liabilities	47	0	0	36	11	0
Other non-financial liabilities	-1,313	32	-1,890	501	44	0
NET ASSETS ACQUIRED	18,873	1,532	712	14,483	2,146	0
Purchase price paid in cash	63,507	2,415	1,230	50,251	9,611	0
Liabilities assumed (receivable for purchase price reimbursement)	1,500	0	0	0	1,500	0
of which contingent consideration	1,500	0	0	0	1,500	0
TOTAL CONSIDERATION TRANSFERRED	65,007	2,415	1,230	50,251	11,111	0
GOODWILL	46,134	883	518	35,768	8,965	0
Acquired cash and cash equivalents	7,302	441	99	5,546	1,216	0
Purchase price paid in cash	63,507	2,415	1,230	50,251	9,611	0
Payments for acquisitions after date of acquisition	4,451	0	0	0	0	4,451
Cash outflow for acquisitions (net)	-60,656	-1,974	-1,131	-44,705	-8,395	-4,451
Effects of the acquisition on CGM's results						
Sales revenues included in the consolidated statement of comprehensive income since acquisition date	3,409	929	707	1,613	160	0
Result included in the consolidated statement of comprehensive income since the date of acquisition	-385	115	-603	292	-189	0
Sales revenue for the financial year (notional acquisition date January 1)	12,981	929	1,414	9,678	960	0
Result for the financial year (notional acquisition date January 1)	-473	115	-1,206	1,752	-1,134	0

Acquisition of BWG Computer Systeme GmbH, Germany

As of January 1, 2021, CGM Medistar Systemhaus GmbH, a 100 % subsidiary of CompuGroup Medical Deutschland AG, acquired 100 % of the shares in BWG Computer Systeme GmbH (hereinafter: BWG), Freiberg, Germany.

BWG is a medium-sized IT system house with a focus on the healthcare sector, specializing in private medical practices and medical care facilities.

The initial consolidation of BWG took place on January 1, 2021. In 2020, the reported revenues of BWG amounted to about kEUR 2,435, the reported EBITDA to kEUR 546. The total consideration to be paid amounts to kEUR 2,415 and is paid in full as of the balance sheet date.

Based on the current estimate, the preliminary goodwill of kEUR 883, which is mainly due to the effects on the group resulting from the expansion of the market reach in Germany and the extension of the distribution channels. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 1,882 and relates to customer relationships. For the receivables acquired in the business combination, 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 565 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 BWG business acquisition 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 Portavita group, the Netherlands and Russia

As of April 1, 2021, CompuGroup Medical Holding Coöperatief U.A., a subsidiary of CompuGroup Medical SE & Co. KGaA (99.98 %) and CompuGroup Medical Deutschland AG (0.02 %), acquired 100 % of the shares in Portavita B.V., which holds 100 % of the shares in Portavita LLC, and 100 % of the shares in MGRID B.V. (hereinafter: Portavita group), Amsterdam, the Netherlands and Tatarstan, Russia.

Portavita is a leading provider of Integrated Care Systems (ICS). As a collaborative platform, it supports hundreds of thousands of healthcare providers, patients and citizens around the world. The aim of the system is to support and improve prevention, diagnosis, treatment, monitoring and management of health and lifestyle.

The initial consolidation of Portavita group took place on April 1, 2021. In 2020, the reported revenues of Portavita group amounted to about kEUR 4,753, the reported EBITDA to kEUR - 303. The total consideration to be paid amounts to kEUR 1,230 and is paid in full as of the balance sheet date.

Based on the current estimate, the preliminary goodwill of kEUR 518, which is mainly due to the effects on the group resulting from the expansion of the market reach in the Netherlands. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 2,763 and relates to software, trademark rights and customer relationships. For the receivables acquired in the business combination, 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 691 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 Portavita group business acquisition was performed provisionally, as the measurement of the acquired customer relationships, software and trademark rights are to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of VISUS group, Germany and Switzerland

As of June 1, 2021, CGM Clinical Deutschland GmbH, a 100 % subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 100 % of the shares in VISUS Health IT GmbH, the sole indirect shareholder of VISUS IT Services GmbH and of VISUS IT Solutions AG (hereinafter: VISUS group), Bochum, Germany and Zurich, Switzerland.

VISUS group is one of the leading providers of picture archiving and communication systems (PACS) and Healthcare Content Management in Germany. The main products of the VISUS group are JiveX Enterprise PACS, a leading PACS solution for hospitals and outpatient facilities, JiveX Healthcare Content Management, a state-of-the-art vendor-neutral archiving solution, and JiveX Healthcare Connect, a communication solution for medical data. Today, VISUS group counts more than 1,500 facilities in the inpatient and outpatient sectors among its customers.

The initial consolidation of VISUS group took place on June 1, 2021. In 2020, the reported revenues of VISUS group amounted to about kEUR 18,483, the reported EBITDA to kEUR 2,452. The total consideration to be paid amounts to kEUR 50,251 and is paid in full as of the balance sheet date.

Based on the current estimate, the preliminary goodwill of kEUR 35,768, which results mainly from the expansion of the distribution network for the HIS segment in Germany and Switzerland as well as from the know-how 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 18,225 and relates to customer relationships, software, and trademark rights. For the receivables acquired in the business combination, 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 5,468 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 VISUS group business acquisition was performed provisionally, as the measurement of the acquired customer relationships, software and trademark rights are to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of Meta-it GmbH, Germany

As of June 1, 2021, CGM Clinical Deutschland GmbH, a 100 % subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 100 % of the shares in Meta-it GmbH (hereinafter: Meta-it), St. Ingbert, Germany.

One development focus of Meta-it is in the area of DRG billing, revenue assurance, performance management and benchmarking with the MetaKIS product. Another development focus is hygiene management with the product MetalPSS (IPSS = Infection Prevention and Surveillance System).

The initial consolidation of Meta-it took place on June 1, 2021. In 2020, the reported revenues of Meta-it amounted to about kEUR 2,449, the reported EBITDA to kEUR 491. After the acquisition, the company achieve approximately 90 % with companies in the segment group. The consideration to be paid amounts to kEUR 11,111 and is paid in the amount of kEUR 9,611 as at the balance sheet date. The contractually outstanding purchase price payments of kEUR 1,500 are recognized under purchase price liabilities as of the balance sheet date.

Based on the current estimate, the preliminary goodwill of kEUR 8,965, which results in particular from the expansion of the distribution channels and the associated upselling opportunities in the HIS business division. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to kEUR 2,862 and relates to customer relationships, software, and trademark rights. For the receivables acquired in the business combination, 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 859 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 Meta-it business acquisition was performed provisionally, as the measurement of the acquired customer relationships, software and trademark rights are to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Subsidiaries not fully consolidated

Acquisition of Aatlanta group, France

After the agreement was signed in March 2021 by CompuGroup Medical SE & Co. KGaA to acquire 100 % of the shares in Aatlanta SAS, the sole indirect shareholder of Aatlantide SAS, and 100 % of the shares in ADD-LIB SAS (hereinafter: Aatlanta group), Meylan, France, the closing took place on June 30, 2021.

Aatlanta group is a software provider of administrative and medical management for healthcare professionals. The platform comprises the two brands Acteur.fr, which is provided for private practices, and ActeurCS.fr, which is provided for health centers. Users of the software are doctors but also paramedical professions such as nurses, speech therapists, orthoptists, physiotherapists, and midwives.

At the time of the balance sheet preparation, financial information is not yet available due to the proximity to the balance sheet date, which is why Aatlanta group was not fully consolidated in the half-year financial statements. The first full consolidation of Aatlanta group will take place on July 1, 2021. In the 2019/2020 financial year (ended September 30, 2020), the reported revenue was approximately kEUR 4,673 with a reported EBITDA of approximately kEUR 410.

The total consideration to be paid amounts to approximately kEUR 11,143 and is paid in full as at the balance sheet date.

Remaining Additions

The remaining additions include the following business combinations.

Acquisition of the assets of Eurosof2000 S.L.U., Spain

In the first half of 2021, current purchase price liabilities of kEUR 210 are paid, which result from the asset deal of the business operations of Eurosof2000 in 2019.

Acquisition of Farma3Tec S.r.l., Italy

Call and put options were agreed on the acquisition of the outstanding 20.02 % of the shares in Farma3Tec, which were recognized with a value of kEUR 1,720 under current purchase price liabilities as at December 31, 2020. In the financial year these options were exercised.

Acquisition of eMDs group, USA and India

In the first half of 2021, current purchase price liabilities of kEUR 1,272 are paid, which result from the acquisition of 100 % of the shares in the eMDs group in 2020.

Acquisition of Qualizorg B.V., Netherlands

In the first half of 2021, kEUR 1,250 of the contingent purchase price payments resulting from the acquisition of 100 % of the shares in Qualizorg B.V. in 2019 are paid out.

Acquisition of 30 % of the shares in 4K S.r.l., Italy

In the first half of 2021, CompuGroup Medical Italia Holding S.r.l., a 100 % subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 30 % of the shares in 4K S.r.l., Milan, Italy. 4K S.r.l. operates the pharmaceutical on-demand delivery service „Pharmap“ in Italy. The consideration to be paid amounts to kEUR 3,345 and is paid out in full as at the reporting date.

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, 2020.

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 30.06.2021	IFRS 9 valuation			IFRS 16 valuation	
			Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs	Fair value as at 30.06.2021
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
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							
Financial instruments at fair value through profit or loss	FVtPL	642	0	642	0	0	642
Amortized costs	AC	959,110	959,110	0	0	0	959,110

The financial instruments by valuation category for the prior-year comparison period as at June 30, 2020 are as follows:

kEUR	Measurement category according to IFRS 9	Book value as at 30.06.2020	IFRS 9 valuation			IFRS 16 valuation		Fair value as at 30.06.2020
			Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs		
Financial assets								
Cash and cash equivalents	AC	362,845	362,845	0	0	0	0	362,845
Trade receivables	AC	110,282	110,282	0	0	0	0	110,282
Other financial assets	AC	11,660	11,660	0	0	0	0	11,660
Finance lease receivables	-	22,923	0	0	0	22,923	0	24,321
Other investments	FVtPL	1,995	0	1,995	0	0	0	1,995
Total financial assets		509,705	484,787	1,995	0	22,923	0	511,103
Financial liabilities								
Liabilities to banks	AC	426,355	426,355	0	0	0	0	427,373
Purchase price liabilities	AC	15,206	15,206	0	0	0	0	15,206
Trade payables	AC	36,425	36,425	0	0	0	0	36,425
Other financial liabilities	AC	20,467	20,467	0	0	0	0	20,467
Lease Liabilities	-	41,412	0	0	0	41,412	0	41,412
Total financial liabilities		539,865	498,453	0	0	41,412	0	540,883
Total per category								
Financial instruments at fair value through profit or loss	FVtPL	1,995	0	1,995	0	0	0	1,995
Amortized costs	AC	983,240	983,240	0	0	0	0	984,258

Related party transactions

In the period from January 1, 2021 to June 30, 2021 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:

	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
kEUR								
Frank Gotthardt	26	26	0	0	0	1	0	0
Dr. Brigitte Gotthardt	2	1	0	0	1	0	0	0
Prof. Dr. Daniel Gotthardt	0	0	0	25	0	0	0	0
CompuGroup Medical Management SE	3	0	6,759	279	0	0	2	279
further Administrative Board*	0	11	0	0	0	0	0	0
Supervisory Board**	0	0	0	1	0	0	0	0
Senior Management	0	0	2	0	0	0	2	0
further related companies	4,064	730	1,512	1,683	253	193	135	75
Associated companies	4,569	3,401	1	65	1,123	1,081	0	0
TOTAL	8,664	4,169	8,274	2,053	1,377	1,275	139	354

* The further members of the Administrative Board are shown. Members who were appointed to the Supervisory Board prior to the change in legal form are only shown under the Administrative Board in order to improve presentation.

** Business relationships with all members of the Supervisory Board during the financial year are shown, with the exception of members who have moved to the Administrative Board.

Frank Gotthardt directly and indirectly holds a significant interest in the CompuGroup Medical SE & Co. KGaA as of June 30, 2021. Therefore, in addition to the companies of the Group, all companies in which a corporate relationship with Frank Gotthardt, Dr. Brigitte Gotthardt or Prof. Dr. Daniel Gotthardt exists are related parties of the CompuGroup Medical SE & Co. KGaA.

The expired direct relationships with Prof. Dr. Daniel Gotthardt are due to a shift to Gotthardt Grundstücksgesellschaft GbR and thus to related parties. The payments are mainly attributable to employee parking.

In the reporting period, payments of mEUR 6.8 (prior year: mEUR 0.3) were made to the personally liable CompuGroup Medical Management SE, which is controlled by Frank Gotthardt, for remuneration of the Executive Board, the Administrative Board and other expense allowances.

Other related parties:

Business relations with Frank Gotthardt and Prof. Dr. Daniel Gotthardt are listed separately and are therefore not included here. The income reported for the Administrative Board relates to the recharging of travel expenses that were incurred privately.

The compensation paid to current and former members of the Supervisory Board is not listed here. Beyond this, there were no significant direct business relationships with members of the Supervisory Board or senior management in the reporting year.

Related companies:

The received goods and services are mainly composed of the business relations with MW Office / Marketing und Werbung GmbH (mEUR 0.4), Deutsche Leasing Fleet GmbH (mEUR 0.4), mps public solutions GmbH (mEUR 0.3) and INFOSOFT Informations- und Dokumentationssysteme GmbH (mEUR 0.2), which were received in particular from CGM SE & Co. KGaA, CGM Deutschland AG, CGM Clinical Deutschland GmbH and Intermedix Deutschland GmbH. The goods and services provided mainly consist of business relations with the MW Office / Marketing und Werbung GmbH amounting to mEUR 3.1 by Intermedix Deutschland GmbH, and with the mps public solutions GmbH amounting to mEUR 0.8 by CGM Clinical Deutschland GmbH.

Associated companies:

The goods and services provided to associated companies are mainly related with MGS Meine Gesundheit-Services GmbH, 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). 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. The syndicated loan has a total term of five years with two renewal options of one year each for the revolving credit facility. The first option was exercised in January 2021.

The interest rate is based on EURIBOR (LIBOR for foreign currency loans) 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, 2021 there was a margin of 0.95 % (TLF) and 0.65 % (RCF).

As at June 30, 2021, the TLF was utilized in full in the amount of mEUR 400. The RCF of mEUR 600 was utilized in the amount of mEUR 155. 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 addition, loan commitment fees in the total amount of mEUR 3,3 were incurred in 2020, which are recognized in profit or loss using the effective interest method over the term of the loan agreement. In order to hedge the TLF against significant changes in interest rates, an interest rate cap with a 10-year term was concluded in 2021.

In the 2021 financial year, CompuGroup Medical SE & Co. KGaA fully complied with all financial covenants in the existing loan agreements.

Contingent liabilities, guarantees and other commitments

During the financial year 2021, contingent liabilities, guarantees and other commitments did not change significantly compared to December 31, 2020.

Significant post balance sheet events

KoCoBox MED+ obtains approval as an electronic health record connector

On July 22, 2021 CGM received approval from gematik for KoCoBox MED+ as a connector for the electronic health record (so-called ePA – elektronische Patientenakte). Following installation of the ePA upgrade, KoCoBox MED+ supports the electronic health record application and the digital convenience signature for all users who are connected to the telematics infrastructure via KoCoBox MED+.

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

September 15, 2021 - Capital Markets Day
November 4, 2021 - Interim Report Q3 2021

CONTACT INFORMATION

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

Telephone: +49 (0) 261 8000-7030

E-Mail: investor@cgm.com
www.cgm.com/ir

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 5, 2021

CompuGroup Medical SE & Co. KGaA

Represented by the Managing Directors of
CompuGroup Medical Management SE



Dr. Dirk Wössner



Frank Brecher



Dr. Ralph Körfgan



Dr. Eckart Pech



Michael Rauch



Hannes Reichl

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

Synchronizing Healthcare

