CompuGroup Medical

Annual Report 2024

WE ADD A NEW DIMENSION TO HEALTHCARE

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REVENUES	LOCATIONS	PRODUCTS	EMPLOYEES
EUR 1.15 billion	**19 countries**	**60 countries**	**>8,700**

CompuGroup Medical is a leading global e-health provider with a revenue base of EUR 1.15 billion1.15 in 2024. Its software products are designed to support all medical and organizational tasks in private medical practices, 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.

We add a new dimension to healthcare

The backbone of CompuGroup Medical's services is the company's unique customer base including physicians, pharmacies, other healthcare professionals in outpatient and inpatient facilities as well as insurance and pharmaceutical companies. As a pioneer in the digitization of healthcare, CompuGroup Medical develops innovative data- and AI-driven solutions that are sustainably transforming the healthcare sector. CompuGroup Medical has sites in 19 countries and distributes its products in 60 countries. More than 8,700 highly qualified employees create sustainable solutions to meet the steadily growing demands in healthcare.

PURPOSE

“Nobody should suffer or die just because at some point medical information was missing.”

Frank Gotthardt, Founder CompuGroup Medical

FOR OUR SHAREHOLDERS

CEO letter

Prof. (apl.) Dr. med. Daniel Gotthardt
Chief Executive Officer (CEO)

Dear Shareholders,

The digitization of the healthcare system continues to advance steadily. At CompuGroup Medical, we see ourselves as a central pillar and anchor point in this transformation, where data-driven solutions and artificial intelligence (AI) play a crucial role. They enable us to explore new avenues in healthcare delivery, to optimize processes and workflows and to drive a connected, patient-centered healthcare system. As one of the world's leading healthcare service providers, our top priority is to support our global customer base – physicians, dentists, hospitals, pharmacies and healthcare providers.

In 2024, we continued to pursue the AI initiative launched in the prior year, and several of our products, including the CGM ONE telephone assistant for medical practices, already utilize AI-based features. These technologies are revolutionizing processes in the healthcare sector and have the potential to enhance efficiency in diagnosis and treatment. CGM integrates AI across various processes – from software development to customer service – to create sustainable value.

In terms of data security, we have obtained C5 attestation (Type 1) pursuant to the criteria catalog by the Federal Office for Information Security (BSI) for our cloud services in Germany. This ensures that our cloud products meet the highest security standards, offering our healthcare clients a trustworthy solution.

CEO letter

In the AIS segment, we have introduced innovative solutions such as the CGM ONE telephone assistant, which optimizes communication in private medical practices. New products like CGM Infansoft for pediatricians in France and CGM AMBI, our ambient AI solution in the United States, have set new industry benchmarks. Additionally, the full acquisition of the Norwegian software company Pridok AS strengthens our market position in Northern Europe and allows us to offer web-based solutions. The acquisition of AmbulApps GmbH enables us to integrate digital anamnesis tools into our portfolio.

In the HIS segment, we are successfully implementing projects related to the German Hospital Future Act (KHZG) and have established partnerships with key institutions to further develop our systems. In addition to setting up the Health Data Space in Spain, we have focused on advancing our G3 technology. One notable highlight is the further development of our Clinical Documentation Assistant, which significantly improves the workflows of healthcare professionals.

In the PCS segment, we launched the first cloud-based pharmacy software, CGM STELLA, in Italy. This solution relieves pharmacists of the need for local data backups while simultaneously optimizing workflows.

Another major milestone in the past financial year was the announcement of a strategic partnership with CVC Capital Partners in December. CVC Capital Partners is the ideal partner with extensive expertise in healthcare and software investments. The strategic partnership is contingent on the successful completion of a voluntary public takeover offer to CGM shareholders. CVC fully supports our strategy of driving innovation to provide our customers – doctors, pharmacists, dentists, hospitals and healthcare providers – with cutting-edge technologies that make their work more efficient and patient-centered, thereby actively shaping the transformation in the healthcare sector. The mission statement of CompuGroup Medical remains unchanged: Nobody should suffer or die just because at some point medical information was missing.

Sincerely,

Prof. (apl.) Dr. med. Daniel Gotthardt
CEO

Share information

The CompuGroup Medical shares are listed in the Prime Standard of the Frankfurt Stock Exchange under the securities identification number A28890 (ISIN DE000A288904) as well as in the SDAX and TecDAX under the ticker symbol (COP (FRA: COP). As at December 31, 2024, the share capital consists of 53,734,576 shares each representing 1.00 EUR of the share capital.

Key data

		2024	2023
Year-end price	EUR	21.76	37.90
Year high	EUR	40.02	51.70
Year low	EUR	13.23	33.00
Market capitalization*	mEUR	1,169	2,037
Earnings per share, adjusted	EUR	1.27	2.06
Dividend per share	EUR	0.05**	1.00

** At December 31.*
*** As proposed for 2024 to the Annual General Meeting.*

Share price

The performance of the CGM share in financial year 2024 was largely influenced by the adjustment of the guidance for financial year 2024 in July and the announcement of a voluntary public takeover offer by CVC Capital Partners (CVC) in December (see Section G. 14 Events after the reporting date in the Notes to the consolidated financial statements).

The CGM share stood at 38.08 EUR at the beginning of the year on January 2, 2024. A slightly positive share price performance in the first few weeks was followed by several phases with price adjustments. The share reached its annual high of 40.02 EUR on January 30, 2024 and its lowest level on September 20, 2024 at 13.23 EUR. From early December, following the announcement of the voluntary public takeover offer by CVC, the CGM share was traded at the price of 22.00 EUR per share, which was the price offered by CVC in the scope of a voluntary public takeover offer.

The reference index SDAX saw a positive start into the year 2024 and reached its annual high in June. In the second half of the year, however, the index fell again and closed at 13,711 points, i.e. - 1.8 % below the prior year's closing price. The technology index TecDAX experienced four volatile quarters but managed to close 2024 with a gain of 2.4 %. The year-end closing price of the CGM share was 21.76 EUR, corresponding to a market capitalization of 1,169 mEUR. As such, the closing price of the CGM stock was 42.6 % below the prior-year value.

Share information

Dividend

A dividend of 1.00 EUR per share was distributed in financial year 2024. It is intended that the Annual General Meeting, expected to take place in August 2025, will propose the distribution of a dividend of 0.05 EUR per share for financial year 2025.

Shareholder structure as at December 31, 2024

	share in %
Frank Gotthardt (Founder and Chairman of the Administrative Board)	33.37
Prof. (apl.) Dr. med. Daniel Gotthardt (CEO and Member of the Administrative Board)	6.66
Dr. Brigitte Gotthardt	6.29
Dr. Reinhard Koop	3.79
Treasury shares	3.72
Free float (German Stock Exchange definition)	46.17

Investor relations

The Investor Relations section on the company website (www.cgm.com/ir) provides comprehensive information such as financial reports, stock exchange information, relevant news as well as the financial calendar and company presentations.

At year-end, thirteen analysts followed CompuGroup Medical's business performance on a regular basis. They issued five Buy recommendations, seven Hold and one Sell recommendation.

Managing Directors

Prof. (apl.) Dr. med. Daniel Gotthardt – Chief Executive Officer (CEO)

Prof. (apl.) Dr. med. Daniel Gotthardt was appointed as Chief Executive Officer as of September 1, 2024. After studying medicine in Heidelberg, Germany, and earning a doctorate at the Max Planck Institute for Medical Research and the Imperial College in London, Daniel Gotthardt spent 13 years working at Heidelberg University Hospital, most recently as managing senior physician. He was managing director of Mediteo GmbH and the sole board member of Gotthardt Healthgroup AG and XLHealth AG. In addition, he has been a member of the Supervisory Board of the former CompuGROUP Holding AG respectively CompuGroup Medical SE since 2003, and was appointed as member of the Administrative Board of CompuGroup Medical Management SE in 2020. His office as CEO runs until August 31, 2029.

Daniela Hommel – Chief Financial Officer (CFO)

Daniela Hommel joined CGM as Chief Financial Officer on February 1, 2024. Prior to this, she held various finance and controlling positions in the Fresenius Group since 2012. From 2018, she was responsible for the performance of the Fresenius Helios segment in the capacity as Chief Financial Officer. In 2022, she assumed the role of Chief Financial and Innovation Officer of Helios Global Health GmbH. Additionally, in the capacity of CEO, she became responsible for Curalie, the digital subsidiary of Fresenius, in 2022. She spent the first 14 years of her career at KPMG, most recently as the responsible auditor partner for the healthcare segment. She has been appointed as Managing Director until January 31, 2027.

Emanuele Mugnani – Managing Director Ambulatory Information Systems Europe

Emanuele Mugnani has been responsible for Ambulatory Information Systems Europe since February 2022. He joined the CGM Italy Group in 2014 as General Manager for Pharmacy Information Systems in Italy, then became Senior Vice President Southern European Region in 2017 and has been Senior Vice President of Pharmacy Information Systems Europe since 2019. Emanuele Mugnani earned a degree in electrical engineering at the Politecnico di Milano. Before joining CGM, he was Managing Director Italy of a worldwide leader in IT solutions for retail and hospitality and Senior Manager at Accenture. He has been appointed as Managing Director until December 31, 2029.

Managing Directors

Hannes Reichl – Managing Director Inpatient and Social Care

Hannes Reichl has been responsible for the hospital and laboratory business of CompuGroup Medical since 2018, which he previously led as Senior Vice President. Since joining CGM in 2007, he has held various management positions and successfully built up and developed what was then CGM's Central Eastern Europe and Middle East region. In addition to operational management, his work focused on strategic business development and the integration of acquired companies. After completing his studies in Infonomics and Information Management in 1998, Hannes Reichl worked for several Austrian companies that today are all part of CompuGroup Medical. He has been appointed as Managing Director until October 31, 2027.

Dr. Ulrich Thomé – Managing Director Ambulatory Information Systems DACH

For his role as Managing Director Ambulatory Information Systems DACH, Dr. Ulrich Thomé brings more than 16 years of experience in the healthcare and healthcare IT sector, building on various leadership positions such as Chief Strategy Officer in the German segment of the Zur Rose Group, Board Member of ARZ Haan AG and Managing Director of BFS health finance. Ulrich Thomé studied business administration and completed his doctorate at the University of Cologne. He has been appointed as Managing Director until October 31, 2026.

Report of the Supervisory Board

The Supervisory Board of CompuGroup Medical SE & Co. KGaA (Supervisory Board) performed the duties incumbent upon it under the law, the Articles of Association and the rules of procedure in financial year 2024. The Supervisory Board monitored the management of the company as carried out by the general partner (represented by its Managing Directors). In accordance with its responsibilities, the Supervisory Board was involved in the key decisions that were of fundamental importance to the company.

The Managing Directors of the general partner continuously informed the Supervisory Board in written and oral reports in a timely and comprehensive manner about all important issues of corporate planning and strategic development, about the business performance, the general position of the group, any risks it might be exposed to and corporate risk management.

The Supervisory Board received regular reports from the Managing Directors on the measures taken to increase sales revenue, to enhance efficiency and to improve earnings, as well as on major completed company acquisitions.

The Supervisory Board established an Audit Committee. In the year under review, this Committee met for seven video meetings and one in-person meeting. Among other matters, the Audit Committee discussed the general partner's interim financial reports, risk management reports, compliance management reports and the reports by Internal Audit. The Audit Committee also prepared Supervisory Board resolutions and discussed key topics with the general partner. In various discussions with the auditors KPMG, the CEO and the CFO, the Audit Committee has been monitoring the quality of the audit on an ongoing basis. The meetings of the Audit Committee are regularly attended by representatives of the audit firm KPMG.

During the reporting period, the Supervisory Board held eleven meetings, of which eight were video conferences and three in-person meetings:

February 20, 2024:

The annual Declaration on Corporate Governance was discussed and approved. The corporate budget for 2024 and the CGM share price performance were discussed in the meeting.

March 11, 2024:

The auditor was present at this meeting. The members of the Audit Committee and the general partner informed the members of the Supervisory Board on their discussion of the annual financial statements for 2023 and the most important results of these deliberations. The auditor summarized the preliminary results of the audit of the financial statements and answered the questions of the Supervisory Board. The general partner reported on the main issues of the past financial year and current topics in the current financial year.

Report of the Supervisory Board

March 22, 2024:

The Supervisory Board was informed about the results from the Audit Committee meetings. The annual financial statements and other reports, including the consolidated financial statements, the management report, the dependency report, the remuneration report and the non-financial report, were unanimously approved. The proposal for a dividend increase to be submitted to the Annual General Meeting on May 22, 2024 was discussed in detail. CFO Daniela Hommel explained the reasoning behind the proposal to increase the dividend. The agenda and the proposed resolutions for the virtual Annual General Meeting were approved unanimously.

May 21, 2024:

At the meeting, the Supervisory Board was given a report by the Audit Committee and received information regarding the strategic goals and current developments within the CGM group. Furthermore, the topics for the virtual Annual General Meeting to take place on the subsequent day were discussed.

August 6, 2024:

The Supervisory Board convened an extraordinary meeting to discuss the future strategic direction of the CGM group with the designated Chief Executive Officer (CEO), Prof. (apl.) Dr. med. Daniel Gotthardt. Prof. (apl.) Dr. med. Daniel Gotthardt introduced himself to the members of the Supervisory Board and presented his strategic targets. He emphasized the need to focus on becoming more customer-centric and to push ahead with the implementation of artificial intelligence (AI). On July 29, 2024, the Administrative Board removed the previous CEO, Michael Rauch, as Managing Director (CEO) effective August 31, 2024. The Administrative Board appointed Prof. (apl.) Dr. med. Daniel Gotthardt as CEO as of September 1, 2024.

September 30, 2024:

The Supervisory Board was informed about the topics discussed in the committee meetings that had previously taken place, in particular the report from the Audit Committee. Discussions included company acquisitions, the risk management report, sustainability reporting and the fees of the KPMG auditing company for the audit of the financial statements for financial year 2024.

Dr. Ulrich Thomé reported on the current developments in the AIS DACH segment, including new products and the "Operational Excellence" initiative. Finally, the new CEO, Prof. (apl.) Dr. med. Daniel Gotthardt, presented his strategic goals, including a focus on operational excellence and synchronizing healthcare products.

The Supervisory Board also approved the engagement of KPMG Wirtschaftsprüfungsgesellschaft as the group auditor for financial year 2024.

Report of the Supervisory Board

December 3, 2024:

In this extraordinary meeting, the Supervisory Board was first informed by its Chairman Mr. von Ilberg, the Chairman of the Administrative Board Frank Gotthardt and CFO Daniela Hommel about the ongoing considerations regarding a planned transaction, the so-called "Project Caesar": CVC, a private equity firm, intends to make a voluntary public takeover offer to the shareholders of the company within the meaning of section 29 (1) German Securities Acquisition and Takeover Act (WpÜG) and to enter into an investor agreement with, among others, the company and GT 1 Vermögensverwaltung GmbH ("GT1"). In addition to the investor agreement, GT1 and the investor intend to enter into a shareholders' agreement to govern their relationship as shareholders of the company.

December 5, 2024:

The Supervisory Board convened for this extraordinary meeting to receive additional, more detailed information on CVC's planned public takeover offer to the company's shareholders, to deliberate on this transaction with external advisors and to discuss the Supervisory Board's position regarding the public takeover offer. Starting December 3, 2024, at 6:30 p.m., the Supervisory Board had access to the relevant transaction documents via a virtual data room set up for the Supervisory Board. With the support of external legal and financial consultants, the details of the planned transaction were presented to the members of the Supervisory Board. Key aspects debated by the Supervisory Board were the future strategic direction of the company; the offer price; the proposed financing structure, including leverage; the bidder's profile, specifically the underlying CVC fund as well as its plans and intentions regarding structural measures; the effects of the takeover offer as outlined in the investor agreement and the overall transaction on the company and its stakeholders, particularly with regard to minority shareholders, locations and employees; transaction security (the minimum acceptance threshold and regulatory requirements); potential alternatives to the transaction; the anticipated reactions from the company's customers, suppliers and the capital market. The Board also considered associated corporate governance matters at company level and the potential impact on the share price. The Supervisory Board intensively discussed all these aspects with its own legal counsel, the company's legal counsels, the Gotthardt family, the financial consultants involved, the representatives of the company's management and the Global General Counsel.

December 8, 2024:

The Supervisory Board convened for an extraordinary meeting to pass a resolution submitted by CompuGroup Medical Management SE to enter into the investor agreement with, inter alia, the bidder, and – subject to review of the offering documents, compliance with its legal obligations and fulfillment of the conditions set out in section 100 of the investor agreement – to resolve to support the takeover offer for up to 100% of the company's outstanding shares.

Report of the Supervisory Board

December 12, 2024:

Material topics brought up at the past Audit Committee meeting were discussed in the (ordinary) Supervisory Board meeting. The Managing Director Emanuele Mugnani gave an overview of the AIS, DIS und PCS segments in Europe, introducing their development strategies as well as short, medium and long-term strategic goals. CFO Daniela Hommel presented the financial figures as at December 2024, spoke about deviations between the planned and actual figures and compared this year's cash flow with that of previous years.

The potential format of the 2025 Annual General Meeting was discussed, particularly the (continued) suitability of holding the meeting in a virtual format. Finally, the dates for the 2025 meetings were announced, and the results of the regular efficiency review of the Supervisory Board were presented.

December 19, 2024:

The Supervisory Board convened for an extraordinary meeting in order to receive further information on the draft of their joint statement. The company’s legal counsel explained the key points included in the statement as well as the changes made to the latest version and the intended timeline. The Supervisory Board discussed the intentions regarding acceptance or rejection of the offer by its members and the implications of the offer for the shareholders of CGM. The Supervisory Board obtained extensive consultation from its own legal counsel regarding the legal background and the standard of prudence to be applied in the decision-making process.

Conflicts of interest:

There were no conflicts of interest in the Supervisory Board during the reporting period.

Changes in the composition of the Supervisory Board:

Ali Yener was appointed as a new member of the Supervisory Board effective from June 1, 2024 by the Koblenz Local Court pursuant to section 104 (2) German Stock Corporation Act (AktG). He replaced Mr. Lars Johnke, who had stepped down on May 31, 2024. The Supervisory Board would like to thank Mr. Johnke for his valuable work on the Board.

Report of the Supervisory Board

Overview of attendance at meetings of the Supervisory Board and the Audit Committee, including the respective meeting formats:

	Supervisory Board (Meeting attendance)										
	Feb 20, 2024	Mar 11, 2024	Mar 22, 2024	May 21, 2024	Aug 06, 2024	Sep 30, 2024	Dec 03, 2024	Dec 05, 2024	Dec 08, 2024	Dec 12, 2024	Dec 19, 2024
Meeting format	Virtual	Virtual	Presence	Virtual	Virtual	Presence	Virtual	Presence	Virtual	Virtual	Virtual
Ilberg, Philipp von (Chair)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Weinmann, Stefan (Vice Chair)	Yes	Yes	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Basal, Ayfer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Betz, Frank	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Handel, Ulrike, Dr.	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hegemann, Adelheid	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Johnke, Lars (until May 31, 2024)	Yes	Yes	Yes	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Köhrmann, Martin, Prof. Dr.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lyhs, Reinhard	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Mole, Julia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Störmer, Matthias	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Volkens, Bettina, Dr.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yener, Ali (since June 1, 2024)	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	Audit Committee (Meeting attendance)							
	Feb 6, 2024	Mar 11, 2024	Mar 21, 2024	May 6, 2024	Aug 6, 2024	Sep 26, 2024	Nov 5, 2024	Dec 10, 2024
Session format	Virtual	Presence	Virtual	Virtual	Virtual	Virtual	Virtual	Virtual
Störmer, Matthias (Chair)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Basal, Ayfer (Vice Chair)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Johnke, Lars (until May 31, 2024)	Yes	Yes	Yes	Yes	n/a	n/a	n/a	n/a
Ilberg, Philipp von	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Weinmann, Stefan (since July 1, 2024)	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes

Report of the Supervisory Board

Audit of the 2024 financial statements:

The Managing Directors of the general partner submitted to the members of the Audit Committee and the Supervisory Board the annual financial statements and consolidated financial statements for financial year 2024, the combined management report of CompuGroup Medical SE & Co. KGaA and the entire group for financial year 2024, the remuneration report for financial year 2024 and the dependency report of the general partner once this had been prepared.

The auditing firm (KPMG Wirtschaftsprüfungsgesellschaft) elected and appointed as auditor by the Supervisory Board at the Annual General Meeting of CompuGroup Medical SE & Co. KGaA on May 22, 2024 audited the annual financial statements of CompuGroup Medical SE & Co. KGaA, the consolidated financial statements and the combined management report of CompuGroup Medical SE & Co. KGaA and the group as at December 31, 2024, including the accounting system, in accordance with the statutory provisions and issued an unqualified audit opinion.

At their meetings on February 27, 2025 and March 4, 2025, and in the presence of the auditor, the members of the Audit Committee discussed in detail the annual financial statements, the consolidated financial statements, the combined management report of CompuGroup Medical SE & Co. KGaA and the group, the remuneration report as well as the auditor's findings. The auditor reported on the main findings of the audit. On this basis, the Audit Committee proposed to the Supervisory Board to approve the financial statements prepared by the general partner.

The Supervisory Board was informed of the audit findings at the meeting on February 27, 2025 and took note of the Audit Committee's recommendation. At its meeting on March 4, 2025, the Supervisory Board was in possession of the annual financial statements for financial year 2024, the consolidated financial statements and the combined management report of CompuGroup Medical SE & Co. KGaA and the group prepared and submitted in due time by the general partner, as well as the general partner's proposal for the appropriation of net profit, the dependency report, the remuneration report as well as the corresponding auditor's findings and report. The Supervisory Board examined the documents submitted. Employees of the auditing firm KPMG personally answered all the Supervisory Board's questions in detail.

The Supervisory Board acknowledged the auditor's findings and raised no objections.

In accordance with section 171 (1) German Stock Corporation Act (AktG), the Supervisory Board reviewed and approved the annual financial statements of CompuGroup Medical SE & Co. KGaA and the group, and the combined management report of CompuGroup Medical SE & Co. KGaA and the group, in addition to the proposal for the appropriation of net profit and the risk report. In accordance with section 286 (1) German Stock Corporation Act (AktG), the annual financial statements of CompuGroup Medical SE & Co. KGaA are forwarded to the company's Annual General Meeting for adoption. The Supervisory Board approved the general partner's proposal for the appropriation of profits. The remuneration report was approved.

Report of the Supervisory Board

The general partner submitted its report on relations with associated companies (dependency report) in accordance with section 312 German Stock Corporation Act (AktG), and its declaration in accordance with section 312 (3) German Stock Corporation Act (AktG), to the Supervisory Board. The auditor has reviewed the dependency report and issued the following opinion on the corresponding findings:

"Based on our audit and assessment, which we have carried out in accordance with professional standards, we hereby confirm that the factual statements made in the report are correct, the company's compensation with respect to the transactions listed in the report was not inappropriately high."

The Supervisory Board acknowledged and approved the auditor's findings and also reviewed the dependency report. According to the final results of the review by the Supervisory Board, there are no objections to the declaration by the general partner at the end of the dependency report.

The Supervisory Board would like to thank all Managing Directors and all employees of CompuGroup Medical SE & Co. KGaA and its associated companies for their commitment and hard work in the past financial year.

Koblenz, March 4, 2025

Philipp von Ilberg
(Chairman of the Supervisory Board)

Report of the Joint Committee of CompuGroup Medical SE & Co. KGaA

CompuGroup Medical SE & Co. KGaA (CGM) has a Joint Committee as a voluntary additional body, which, pursuant to article 16 of the Articles of Association of CompuGroup Medical SE & Co. KGaA, consists of six members, namely three members delegated by the general partner CompuGroup Medical Management SE and three further members delegated by the Supervisory Board of CompuGroup Medical SE & Co. KGaA. The members of the Joint Committee that are delegated by the Supervisory Board must themselves be members of the Supervisory Board and include two shareholder representatives and one employee representative. The Annual General Meeting of CompuGroup Medical Management SE appointed Dr. Klaus Esser, Frank Gotthardt and Prof. (apl.) Dr. med. Daniel Gotthardt (from September 1, 2024), previously Michael Rauch (until August 31, 2024), as members of the Joint Committee. The Supervisory Board appointed Dr. Ulrike Handel, Philipp von Ilberg and Frank Betz as members of the Joint Committee. The Chair of the Joint Committee is Dr. Klaus Esser.

The Joint Committee meets regularly to discuss the annual budgets of the company as well as significant acquisition projects and other matters of the company requiring approval as set out in the Articles of Association. It meets at least once a year, or more frequently as required.

Four meetings were held in financial year 2024, at which the following topics were discussed and the following resolutions passed:

24 June 2024:

At this meeting, the Joint Committee discussed the approval of the acquisition of PRIDOK AS, Norway. The Joint Committee received background information on the transaction, its structure, the financing of the proposed acquisition and the current status of negotiations and process, and had the opportunity to ask any questions about the transaction. Following thorough deliberation, the Joint Committee approved the acquisition of PRIDOK AS by a Norwegian subsidiary of CompuGroup Medical SE & Co. KGaA.

December 8, 2024:

The Joint Committee convened for an extraordinary meeting to decide whether to enter into the investor agreement with, inter alia, SCUR-Alpha 269 GmbH (to be operating in future under the name of Caesar BidCo GmbH) submitted by CompuGroup Medical Management SE, and – subject to review of the offer document, compliance with its legal obligations and fulfillment of the conditions set out in section 7.5 of the investor agreement – to resolve to support the takeover offer by SCUR-Alpha 269 GmbH (to be operating in future under the name of Caesar BidCo GmbH) for up to 100% of the company's outstanding shares.

Report of the Joint Committee of CompuGroup Medical SE & Co. KGaA

After thorough deliberation, detailed discussion and comprehensive consideration of the advantages and disadvantages associated with concluding the investor agreement, the members of the Joint Committee unanimously resolved to conclude the investor agreement with, inter alia, SCUR-Alpha 269 GmbH (to be operating in future under the name of Caesar BidCo GmbH).

December 16, 2024:

Pursuant to article 18 (1) (b) of the Articles of Association of CompuGroup Medical SE & Co. KGaA, the Joint Committee discussed the 2025 budget of CompuGroup Medical group prepared and adopted by the general partner and discussed related opportunities and risks with respect to implementation with the Managing Director Daniela Hommel (CFO). Following the discussion, the Joint Committee unanimously approved the budget for financial year 2025.

December 23, 2024:

The Joint Committee convened for an extraordinary meeting to deliberate on the approval of a corporate intra-group restructuring aimed at increasing dividend capacity and improving the utilization of loss carryforwards.

After thorough deliberation, detailed discussion and comprehensive consideration of the advantages and disadvantages associated with the intended restructuring, the members of the Joint Committee unanimously voted in favor of the planned restructuring proposal.

Attendance overview of the Joint Committee members:

	Joint Committee (Meeting attendance)			
	Jun 24, 2024	Dec 8, 2024	Dec 16, 2024	Dec 23, 2024
Meeting format	Virtual	Virtual	Virtual	Virtual
Dr. Klaus Esser, Chair	Yes	Yes	Yes	Yes
Frank Gotthardt	Yes	Yes	Yes	Yes
Michael Rauch	Yes	No	No	No
Prof. (apl.) Dr. med. Daniel Gotthardt	No	Yes	Yes	Yes
Frank Betz	Yes	Yes	Yes	Yes
Dr. Ulrike Handel	Yes	Yes	Yes	Yes
Philipp von Ilberg	Yes	Yes	Yes	Yes

Koblenz, February 2025

Dr. Klaus Esser

(Chair of the Joint Committee)

COMBINED MANAGEMENT REPORT

1. Foundations of the group

1.1. Group business model

CGM Group

CompuGroup Medical SE & Co. KGaA (hereinafter also referred to as "CGM" or "CompuGroup Medical") is a leading global e-health provider with a revenue base of 1,154 mEUR in 2024. Its software products are designed to support all medical and organizational tasks in private medical practices, 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. The company is one of the leading providers in Europe and the US market. The digitization of doctor-patient interaction is another focus area. CGM's portfolio of products also includes information services for health insurance companies and pharmaceutical companies. Headquartered in Koblenz, Germany, the company has a wide and global reach with offices in 19 countries worldwide. More than 8,700 highly qualified employees support customers with innovative solutions for the steadily growing demands of the various healthcare systems.

We endeavor to write our reports in a gender-neutral way. However, we would like to point out that to aid readability, we have used the generic masculine or gender-neutral wording instead of the simultaneous use of feminine and masculine forms. All references to persons apply equally to all genders.

Figures in the following sections are presented in either millions (mEUR) or thousands of euro (kEUR). Rounding may result in minor deviations in totals and the calculation of percentages in this report.

Organizational structure

The CGM group consists of a large number of entities in various countries, all of which are controlled directly or indirectly by the ultimate parent company CompuGroup Medical SE & Co. KGaA. A complete list of all group companies and interests in other companies is provided in section C.4. Scope of consolidation of the notes to the consolidated financial statements.

Operating segments

CGM realigned its operating segments in financial year 2024, integrating the Consumer & Health Management Information System (CHS) segment, which was previously managed separately, into the existing Ambulatory Information Systems (AIS) segment. Due to their comparable business characteristics and models, the AIS DACH, AIS North America, AIS Europe and AIS Insight Health segments were consolidated into a single operating segment, AIS. Thus, AIS, HIS and PCS now constitute the reportable business segments alongside other activities. The three operating segments outlined below cover our full portfolio of products, solutions and services, and form the basis for our IFRS segment reporting (IFRS: International Financial Reporting Standards). The adjusted prior year's figures are shown in the segment reporting section.

Ambulatory Information Systems (AIS)

In terms of third-party segment revenues, the Ambulatory Information Systems segment is the largest segment at CGM and includes developing and selling practice management software for registered physicians, medical care centers and physician networks. Customers are generally primary care providers who are active in ambulatory care and who provide health services to outpatients visiting a healthcare facility and are discharged again on the same day following successful treatment or consultation. For these healthcare providers, products and services are packaged into an end-to-end solution that covers all clinical, administrative and billing-related functions needed to operate a modern healthcare facility. We also offer supplementary Internet and Intranet solutions to ensure that patient data can be shared between physicians in a secure way. Sales cycles and decision-making processes are short and straightforward, while software solutions can generally be installed and made available within a very short space of time. The product portfolio also delivers solutions for larger medical facilities such as medical treatment centers and practice associations.

With the data-based products in its portfolio, CGM also provides healthcare companies with information that can help them improve and optimize their services. The product range also comprises software interfaces for data exchange, portals for retrieving relevant data from the German outpatient healthcare market, medical decision support tools, medication and treatment databases for healthcare service providers, solutions for the insurance industry, digital healthcare applications, consumer portals and mobile apps. Moreover, the AIS business unit includes the telematics infrastructure business, which provides secure links for service providers and forms the basis for further digitization in the healthcare sector. Security solutions for service providers are another element in this segment's portfolio of products.

Hospital Information Systems (HIS)

The HIS segment focuses on developing and selling clinical and administrative solutions for the inpatient sector, where healthcare services are provided over an extended time period in highly specialized primary and secondary care facilities. Customers include acute care hospitals, rehabilitation centers, welfare institutions, multi-location hospital networks, healthcare regions, regional care organizations, medical laboratories and radiologists. The software solutions and related services facilitate patient administration, resource and personnel management, medical-care documentation, billing, and financial and medical controlling. The use of certain clinical software applications also supports various specialist departments, laboratories, radiologists and radiology networks. As a full-service provider, CGM pursues an integrated care approach, providing customized software solutions for virtually every aspect of administration, planning and the provision of care in outpatient and inpatient medical facilities.

Pharmacy Information Systems (PCS)

This operating segment focuses on developing and selling integrated administrative and billing-related software applications for pharmacies. The software solutions and related services provide accurate information and helpful decision-making support to manage every aspect of the supply chain for medication from procuring and shipping the medication, managing and controlling inventory efficiently, through to planning, performing and monitoring retail activities. Medication is dispensed to patients in a safe and cost-efficient way by means of advanced medication safety and control functions and decision-making support tools for using generic substitution and cost optimization strategies.

The segments' business models

The primary sources of revenue in the **AIS** and **PCS** segments come from software maintenance and other recurring revenues. Other revenues comprise (one-time) revenues from the sale of licenses, training and consulting services and other revenues from third-party software licenses together with the associated hardware, equipment, etc. Customer relationships are generally formed for the long term.

The business model of the data area in the AIS segment is based primarily on cooperation agreements, service and software offerings and revenue from contracts for the collection and brokerage of medical data. In addition, revenues are generated from project business (license sales and service business), technical support and performance-based revenues (based on the cost and quality of services provided to patients). In the area of telematics infrastructure, the business model is essentially based on the sale and lease of hardware and associated services, which generate recurring revenues.

The **HIS segment** basically follows a project-oriented business model. Hospitals and care facilities in Europe are largely managed by the public sector, meaning that they are subject to the regulatory requirements applicable to public calls for tenders. Lead times are long for projects to be awarded and for decision-making cycles, with project terms amounting to anywhere between several months and several years from the time software solutions are installed to when they are put into operation by the customer. Revenues from consulting, training and other services are higher than in the AIS and PCS operating segments.

1.2. Changes to the composition of the group

The composition of the group has changed in the reporting year as a result of acquisitions, liquidations and name changes involving group companies. Name changes do not have an impact on the group and are not presented in this management report. Note C.4. The Scope of consolidation section in the notes to the consolidated financial statements contains further information about the changes to the consolidation group.

1.3. Objectives and strategies

The unchanged strategic objective of CGM is to further expand its position as a leading international provider of IT solutions for the healthcare sector and to benefit from the advancing digitization as well as from using artificial intelligence. The key elements of its corporate strategy are summarized as follows:

- achieve organic growth by selling new products and services to existing customers and winning new customers;
- supplement organic growth with targeted acquisitions to complement the portfolio in the core operating segments;
- maintain a leading position in technology and innovation, complemented by data and AI-driven solutions.

1.4. Management system

The company is managed, both in terms of its strategy and its operations, by the Managing Directors and the managers in charge of the business units within the reporting segments. The strategic targets and resulting goals are defined once a year in the course of the budget planning process and monitored on a monthly basis as part of a management information system, which includes detailed reports on key performance indicators that reflect growth, profitability, capital efficiency and the company's ability to innovate. Any deviations from the planned targets are discussed at operating segment level every month, with corresponding measures being derived and implemented where appropriate.

The most relevant key financial and non-financial indicators are outlined in section 2.4 of the management report.

Unless stated otherwise, all financial data are audited figures from the IFRS consolidated financial statements. Please refer to section E of the notes to the consolidated financial statements for more detailed disclosures.

1.5. Research and development

Software development at CompuGroup Medical Group can be broken down into the five main divisions and areas specified below:

- development of individual components of the existing physician, dentist, hospital and pharmacy information systems, performed both centrally and locally;
- development of platform products that are incorporated into the more general information systems as independent products via interfaces. Examples include electronic archiving systems or systems for managing appointments and organizational optimization;
- development of a new generation of physician, dentist, hospital and pharmacy information systems that can be used in different countries, based on a shared data model and shared technology platform (G3). The separation of business logic from user interface makes it possible to implement core functions through one-off development and maintenance work. These functions can later be adapted through different products and their individual user interfaces;
- development of additional functions related to the telematics infrastructure with a view to meeting the statutory specifications of the German healthcare agency gematik. Gematik is an institution that has a legal mandate to coordinate and to specify telematics infrastructure applications in German healthcare in order to lay a foundation for a secure data network; and
- development of innovative data-based products and solutions that serve to collect and communicate clinical data and are thus necessary for data-driven business.

Wherever possible, we make sure that individual components are processed by central development teams across all segments. Training sessions run by external instructors are an important element in ensuring that the teams stay up-to-date with technological developments. Group companies are constantly working to provide customers with state-of-the-art software solutions and services. Our developer teams work with the latest tools and in accordance with internationally recognized standards to ensure the quality of the products offered. Furthermore, external contract developers in Germany and abroad provide development services either on the basis of contracts for services (”extended workbench”) or contracts for work and services, thereby being involved in efforts to develop new software solutions and software generations.

Future generations of software developed by CGM will be characterized by a customized front-end solution adapted to the individual CGM product lines, while the back-end modules will be developed to fit all main product ranges across all platforms. This can be described as a building block principle. What this means in the medium term is that development activities will become as centralized as possible, especially for the back-end. By way of contrast, developing and updating front-end systems will continue to be the responsibility of the subsidiaries close to markets and customers. An average of 2,683 (prior year: 2,694) employees was employed in research and development in financial year 2024. In the year under review, research and development expenses amounted to 255 mEUR (prior year: 252 mEUR).

Capitalized in-house services

In accordance with IAS 38, capitalized in-house development services are capitalized as an asset; this lifted CGM's EBITDA by 32 mEUR (prior year: 40 mEUR) in 2024. Depreciation and amortization of capitalized development services amounted to 20 mEUR in financial year 2024 (prior year: 27 mEUR), of which - 2 mEUR (prior year: - 11 mEUR) was attributable to impairment losses.

The main part of the capitalized development costs is attributable to G3 developments in the AIS, HIS and PCS segments as well as developments in connection with new gematik specifications. Most of the development work was recognized under expenses in the year under review. This essentially involves research costs not eligible for capitalization and expenses associated with the adaption/continuous improvement of software products in line with new or amended legal or contractual requirements that are not eligible for capitalization either. Depending on the area of specialization or current regulations, updates are typically required each quarter. The share of capitalized development costs relative to total R&D costs was 12 % in the reporting period (prior year: 16 %).

2. Economic report

2.1. Macroeconomic and industry-specific conditions

Macroeconomic conditions

The autumn report of the International Monetary Fund (IMF), published in October 2024, forecasts varying growth prospects for different world regions. The global efforts to curb inflation are showing results: after peaking at 9.4 % in the third quarter of 2022, the global average inflation rate is expected to decline to 3.5 % by the end of 2025. This would place it below the 3.6 % average recorded between 2000 and 2019. Despite a comprehensive and synchronized tightening of monetary policy worldwide, the global economy demonstrated remarkable resilience during the disinflation process, preventing a global recession.

According to the January 2025 update of the IMF's autumn report, global growth slightly declined from 3.3 % in 2023 to 3.2 % in 2024. In 2024, economic growth in the industrialized countries, at 1.7 %, lags behind that of emerging markets, which recorded growth of 4.2 %. CGM's key markets, comprising the European markets (particularly the German market) and the US market, performed differently. The IMF assumes that the economy in Germany shrank by - 0.2 % in 2024. The euro zone as a whole, however, is expected to have grown by 0.8 %, and the US by 2.8 %.

Industry development

The healthcare sector, in particular the market for healthcare information technology (HCIT) and related services, is one where demand is growing substantially. The growth in HCIT solutions, which has been steady for years, is being shaped by the rapidly growing volume of data in healthcare, the need for fast and efficient workflows and patients' growing need for data accessibility and self-determination when it comes to healthcare matters. The World Economic Forum (WEC) estimates that a single hospital produces 50 petabyte of data per year. The volume of big data in healthcare is expected to grow faster than in any other sector in the coming years. To derive meaningful insights from vast, rapidly generated and diverse data, advanced HCIT solutions are required, such as CGM One, the AI-powered end-to-end solution for medical practices.

The COVID-19 pandemic that marked the years 2020 to 2022 and the immense strain it put on the healthcare system have once again accelerated demand for HCIT solutions and added certain momentum to specific fields of application. It was of paramount importance during the pandemic to keep the healthcare system in a fully functioning state without being tied to a physical location and to enable care to be provided remotely. HCIT solutions such as video consultations, online platforms to facilitate the networking of healthcare providers, or apps for patients to stay healthy and monitor their own condition have a key role to play here.

Since the beginning of 2024, the e-prescription has become the mandatory standard in Germany. More than 540 million e-prescriptions were processed in Germany throughout 2024. More than 90,000 medical facilities in Germany issue e-prescriptions, and over 17,000 pharmacies – virtually all in the country – process them. E-prescriptions are processed via the electronic health card, the gematik app, the mobile CGM CLICKDOC solution or by printing the data matrix code. E-prescriptions speed up the workflows significantly and increase security and safety for patient care.

2.2. Business performance

Group

CompuGroup Medical closed financial year 2024 as follows.

- Group revenues of 1,154 mEUR
- Revenue growth of - 3 % year-on-year
- Organic revenue growth of - 2 % above prior-year level
  (adjusted guidance: - 2 % - 0 %, originally 4 % - 6 %)
- Recurring revenues of 74 % (guidance: 65 % - 70 %)
- Adjusted EBITDA of 225 mEUR
  (adjusted guidance: 220 mEUR - 250 mEUR, originally 270 mEUR - 310 mEUR)
- Adjusted earnings per share – diluted – of 1.27 EUR and thus 38 % above prior-year level
  (adjusted guidance: 1.55 EUR - 1.95 EUR, vs. original forecast of approx. 10 % growth year-on-year)
- Free cash flow of 66 mEUR (adjusted guidance: 40 mEUR - 60 mEUR, originally 70 mEUR – 100 mEUR)

Segments

At segment level, the guidance is as follows:

- AIS revenue of 694 mEUR, corresponding to organic growth of - 4 %
  (adjusted organic growth guidance: revenue decline in the low to mid-single digit percentage range, originally, organic revenue growth in the low to mid-single digit percentage range)
- HIS revenue of 319 mEUR, corresponding to organic growth of + 1 %
  (adjusted organic growth guidance: revenue growth in the low to mid-single digit percentage range, originally, organic revenue growth in the mid to high single digit percentage range)

- PCS revenue of 141 mEUR, corresponding to organic growth of + 0 %
  (organic growth guidance: revenue growth in the low to mid-single digit percentage range)

Key financial figures

kEUR	2024	2023	Change
Revenues	1,153,987	1,187,663	- 3 %
Recurring Revenues	853,904	813,968	+ 5 %
Recurring Revenues in %	74 %	69 %	5 ppt
Organic growth in %	- 2 %	4 %	- 6 ppt
EBITDA	218,737	229,760	- 5 %
EBITDA margin	19 %	19 %	+ 0 ppt
EBITDA adjusted	224,581	264,737	- 15 %
EBITDA margin adjusted	19 %	22 %	- 3 ppt
EPS (EUR) - diluted	0.66	0.88	- 25 %
EPS adjusted (EUR) - diluted	1.27	2.06	- 38 %
Cash flow from operating activities	128,882	179,528	- 28 %
Cash flow from investing activities	-105,281	-124,327	- 15 %
CAPEX	62,486	66,527	- 6 %
Free Cash flow	66,396	113,001	- 41 %
Net debt	772,815	702,531	+ 10 %
Leverage	3.48	2.75	
Equity ratio	33 %	35 %	- 2 ppt
Number of shares outstanding ('000)	51,735	52,235	

Significant events

In addition to strong growth in recurring revenues, the 2024 financial year was primarily characterized by a significant decline in non-recurring revenues, leading to a decrease in organic revenues. Further, the group made several smaller acquisitions (see Notes to the consolidated financial statements, section C.4. Scope of consolidation).

Digitization is shaping the development of healthcare in numerous countries

CompuGroup Medical identified increased demand for efficiency enhancements and networking in all operating segments, which can be achieved by means of digitization. Data-driven solutions and artificial intelligence play a crucial role in this.

CGM is consistently advancing its AI initiative

The program to further expand the use of Artificial Intelligence (AI), machine-learning and large language models within the group, which was initiated in the prior year, was consistently advanced in 2024. Several CGM products and solutions already rely on AI-based functions, such as the CGM ONE telephone assistant for medical practices. AI has the potential of sustainably impacting and changing the healthcare IT sector and of enabling a new dimension in healthcare. The integration of AI and large data models into medical IT products can drive a transformation in the healthcare sector, improving diagnosis and treatment while simultaneously increasing efficiency. CGM integrates AI technology in various areas and workflows, starting from software development up to support processes, including customer care functions and administrative tasks.

Share buy-back program

CGM carried out a share buy-back program between March 25, 2024 and April 26, 2024. The target of acquiring a maximum of 500,000 shares was reached just before the end of the expiration date. The acquired volume corresponds to approximately 0.93 % of the company's share capital. The weighted average price per acquired share was 29.26 EUR, bringing the total volume of the share buyback to 14.6 mEUR.

Credit facility utilization

As at December 31, 2024, CGM had drawn a total of 115 mEUR from a previously unused credit facility.

CGM meets highest security standards for healthcare cloud services

CGM received C5 attestation (Type 1) pursuant to the criteria catalog by the Federal Office for Information Security (BSI) for its cloud services in Germany. An independent auditor confirmed retrospectively as at May 31, 2024 that CGM's cloud products meet BSI's C5 criteria. Effective July 1, 2024, the German Digital Act (DigiG) prescribes the C5 criteria catalog (Type 1) as the security standard for cloud services in the healthcare and social sectors in Germany. The C5 criteria catalog (Cloud Computing Compliance Criteria Catalogue) was developed by BSI and specifies requirements for secure cloud computing. It contains more than 120 security measures, covering areas such as information security management, physical security, regular operations, portability and interoperability. These criteria are regularly reviewed by independent third parties. The C5 attestation provides cloud customers with important guidance in selecting a provider and supports healthcare providers in meeting strict information security requirements. Based on a standardized audit, the attestation provides transparency regarding the information security status of a cloud service.

Revised annual guidance

In July 2024, CGM revised its guidance for the full year of 2024 due to lower than forecast revenues. The revenue deviation was caused by a marked decline in non-recurring revenues, especially in the AIS segment and in parts of the HIS segment. CGM revised its expectations for organic revenue growth from an expected increase of + 4 % to + 6 % to a revised range of – 2 % to 0 %. Based on the updated forecast and due to higher investments, particularly in artificial intelligence as well as data-driven and patient-centered solutions, CGM also adjusted its guidance for adjusted EBITDA from the previous range of 270 mEUR to 310 mEUR to a revised range of 220 mEUR to 250 mEUR.

Changes in the Managing Directors

Daniela Hommel has been employed as Chief Financial Officer at CGM since February 1, 2024. On July 31, 2024 CGM announced that the Administrative Board appoints Prof. (apl.) Dr. med. Daniel Gotthardt as CEO of CGM, effective as of September 1, 2024. The contract with the former CEO Michael Rauch was prematurely cancelled by mutual consent, effective as at August 31, 2024. After successfully developing the data business, Dr. Eckart Pech, Managing Director of the Consumer & Health Management Information Systems, which was integrated into the AIS segment, resigned voluntarily as at March 15, 2024.

Voluntary public takeover offer by CVC

In December 2024, the investment company CVC Capital Partners plc (CVC) launched a voluntary public takeover offer to CGM's shareholders for 22.00 EUR per share. Previously, CVC had concluded an investor agreement with CompuGroup Medical SE & Co. KGaA regarding the terms and conditions of a strategic partnership. The offering price of 22.00 EUR per share represents a premium of approximately 51 % on the volume-weighted average price of the CGM share over the past three months. The partnership with CVC is expected to support the long-term innovation and growth strategy of CGM. Together, CGM and CVC plan to drive innovation in healthcare for the benefit of patients and healthcare providers worldwide. The joint goal is to reliably empower medical professionals with next generation products and strong customer support. The founding family Gotthardt and related shareholders have announced that they will retain their majority stake in CompuGroup Medical. After completion of the takeover offer, the managements of CGM and CVC plan to take the company private by way of a delisting offer (see also Notes to the consolidated financial statements, section G.14 Events after the reporting date).

Ambulatory Information Systems (AIS)

The financial year 2024 in the AIS segment was characterized by innovation and add-on acquisitions. Innovative co-pilot solutions, such as the CGM ONE telephone assistant for medical practices, are the logical consequence of driving digitization in the healthcare sector.

CGM ONE telephone and documentation assistant

The CGM ONE telephone assistant was launched as the first module of the CGM ONE co-pilot development in financial year 2024. The telephone assistant can take multiple calls in parallel and summarizes all concerns and information in a clear, structured and editable list. All requests are automatically categorized and transcribed and can be processed or transferred to the digital patient record via a dashboard. The teams in medical practices are relieved of part of their work burden and have more time for direct interactions with their patients. The CGM ONE documentation assistant was developed in 2024 as a prototype and evaluated in a work-intensive pilot project in more than 30 medical practices. The product listens to patient-doctor consultations and intelligently summarizes them for medical records, doctor's letters and other documentation. The product is part of the CGM strategy to develop products that reduce the screen time of physicians.

CGM ONE Praxis

The flagship product CGM ONE Praxis was presented under the CGM ONE brand as a new cloud AIS. The product is to be launched in 2025. The multi-client concept and cloud-based deployment as well as the integration of functions with artificial intelligence (AI) for workflow management are extremely innovative.

Telematics Infrastructure (TI)

Since the second half of 2023, the majority of TI customers have been using the flat rate TI payment option. The TI flat rate was introduced in accordance with the specifications of the Federal Ministry of Health. These provide for a monthly flat-rate reimbursement for healthcare providers such as private medical practices, dental practices, pharmacies and other service providers. In 2024, CGM introduced a TI access solution as a data center service ("Managed TI"). Additionally, CGM rolled out the connector software upgrade PTV5+ and the KIM 1.5 upgrade in the second half of 2024.

Market position in Northern Europe strengthened with the acquisition of Pridok AS

The takeover of all the shares in the Norwegian software company Pridok AS in June 2024 strengthens CompuGroup Medical's market position in Northern Europe and lays the foundation for further growth. The company, which was founded in 2013, developed the ambulatory information system "Pridok EPJ". This is a fast-growing and fully web-based solution that enhances value for physicians through high user-friendliness and interoperability. The takeover strengthens CGM's excellent market position and means that CGM can offer its customers in northern Europe a fully web-based solution. In addition, the portfolio expansion provides an excellent option to support additional markets and healthcare practitioners with an innovative product as digitization progresses.

Takeover of a digital anamnesis tool for integration into existing portfolio

In June 2024, CompuGroup Medical acquired all shares in AmbulApps GmbH, a specialist in digital anamnesis tools. Founded in Neuss in 2015, the company organizes, digitizes and structures the collection of data from and about patients. The data is stored in existing systems as documents and structured information. This reduces workload and optimizes information systems, especially in practices that were previously mostly paper-based. CompuGroup Medical will further develop and integrate the powerful and legally compliant AmbulApps solutions into its existing portfolio.

GeMaMed acquisition in Germany

In July 2024, CGM took over the distribution and service partner GeMaMed GmbH, an important distribution partner for ambulatory information systems in Germany. The takeover strengthens CGM's direct market access in a dynamic competitive environment.

CPS Concept takeover in France

In August 2024, CGM took over its distribution and service partner CPS Concept, a historical reseller that has been selling CGM solutions for 25 years. The takeover of CPS Concept underlines CGM's strategy of moving closer towards its customers and of leveraging synergies in order to be able to offer our customers in the healthcare sector even more innovative services.

Hospital Information Systems (HIS)

The continued implementation of projects related to the German Hospital Future Act (KHZG) as well as major projects in Poland and Spain shaped the 2024 financial year in the HIS segment. In addition, the rollout of G3 technology for key customers remained a primary focus.

CGM MEDICO TI e-doctor's letter

Since February, the CGM MEDICO e-doctor's letter has been officially approved by the National Association of the Statutory Health Insurance in Germany (KBV). This enables hospitals using CGM MEDICO to quickly, securely and conveniently send digital doctor's letters directly from the hospital information system to medical practices. The doctor's letter can be continuously updated and supplemented during the patient's stay.

Development partnerships

In April, CGM announced a development partnership with St. Georg Klinikum in Eisenach in Germany for the successor to SAP IS-H, aiming to maximize value through the integration of ERP, billing and clinical systems. In June, CGM launched another strategic development partnership with Heidelberg University Hospital regarding the successor to SAP IS-H. The development work focuses on integrating the complexity and uniqueness of the billing processes of a leading university maximum-care provider into CGM's successor solution.

Pharmacy Information Systems (PCS)

Innovative cloud-based software

In Italy, CGM introduced the first cloud-based pharmacy software CGM STELLA. By using state-of-the-art encryption technologies, pharmacists are relieved from the need for a local data backup system and its associated obligations. Additionally, the intelligent software accounts for the real-world workflows of daily pharmacy operations, integrating logical functionalities, interfaces and workflows while ensuring intuitive usability, regardless of the employees' physical location.

2.3. The group's position

2.3.1 Results of operations of the group

mEUR	2024	2023
Group revenues	1,154.0	1,187.7
Capitalized inhouse services	31.7	40.1
Other income	29.5	28.9
Expenses for goods and services purchased	- 220.6	- 222.7
Personnel expenses	- 563.7	- 590.4
Other expenses*	- 212.2	- 213.8
EBITDA	**218.7**	**229.8**
in %	19.0 %	19.3 %
EBIT	**107.1**	**114.0**
in %	9.3 %	9.6 %
EBT	**61.9**	**72.7**
in %	5.4 %	6.1 %
Consolidated net income	34.8	46.9
in %	3.0 %	3.9 %

* Contrary to the income statement, the item for Net impairment losses on financial assets and contract assets in the amount of - 10 mEUR (prior year: - 11 mEUR) was reclassified to Other expenses.

Revenues for the full year 2024 decreased by 34 mEUR (- 3 %) to 1,154 mEUR; this figure also includes revenues from company acquisitions amounting to 5 mEUR (prior year: 19 mEUR). Organic growth in this period was - 2 % compared to the prior year. The decline in revenues is attributable to the development of non-recurring revenues, which decreased by 74 mEUR (- 20 %) to 300 mEUR. The prior year was positively impacted by a one-time effect from the hardware connector replacement in telematics infrastructure as well as additional module sales within the scope of launching the electronic request and approval process in dental practices. Recurring revenues increased in 2024 by 40 mEUR (+ 5 %) to 854 mEUR, mainly due to price increases and a change in the billing model from individual to recurring revenues in the telematics infrastructure business.

Capitalized in-house services dropped by 8 mEUR year-on-year to 32 mEUR, mainly due to the successful completion of several projects in financial year 2024 as well as at the end of the prior year.

Other operating income rose from 29 mEUR to 30 mEUR in financial year 2024. More information on Other operating income is provided in note E.27 to the consolidated financial statements.

Developments in operating expenses in financial year 2024 can be summarized as follows:

- Expenses for goods and services purchased decreased slightly from 223 mEUR to 221 mEUR year-on-year.
- The reduction in personnel expenses from 590 mEUR in 2023 to 564 mEUR in 2024 is primarily attributable to savings realized during the financial year from the restructuring measures initiated in the fourth quarter of the prior year, as well as the elimination of one-time restructuring expenses.
- Other expenses, including impairment losses in connection with financial assets and contract assets, shrank slightly from 214 mEUR in 2023 to 212 mEUR in 2024. This was partly due to general cost reduction measures and savings in legal and management consultancy costs, which were partially offset by increased IT costs. More information on Other expenses is provided in note E.30 to the consolidated financial statements.

Depreciation of property, plant and equipment and right-of-use assets increased by 3 mEUR to 43 mEUR in 2024.

Amortization of intangible assets was down by 7 mEUR year-on-year to 69 mEUR. This reduction is also attributable to the much lower impairment of internally generated software compared to the previous year.

Financial income amounted to 2 mEUR and was thus just below the prior-year figure of 3 mEUR. Financial expenses increased from 44 mEUR in 2023 to 46 mEUR in financial year 2024. Financial expenses were influenced in comparison to the prior year by the measurement of a financial instrument without a hedging relationship, which recorded a negative change in value of 13 mEUR in the prior year versus 6 mEUR in 2024. This effect was partially offset by an increase in interest expenses of 6 mEUR, driven by the higher interest rate level and increased utilization of the credit facility. Further information on financial income and expenses is provided in note E.33 to the consolidated financial statements.

The effective consolidated tax rate was 44 % in financial year 2024 (prior year: 36 %). Consolidated net income for the reporting year decreased by 12 mEUR to 35 mEUR in 2024 (prior year: 47 mEUR), mainly due to revenues being 34 mEUR lower.

Development of results in the business segments

Ambulatory Information Systems (AIS)

mEUR	2024	2023**	Change
Revenues to third parties	693.6	731.8	- 5 %
thereof organic revenues*	685.7	717.8	- 4 %
thereof recurring revenues	529.1	513.0	3 %
Share of recurring revenues	76 %	70 %	+ 6 ppt
EBITDA adjusted	167.1	196.0	- 15 %
in % of revenues	24 %	27 %	- 3 ppt

* Adjusted for currency effects and revenues from companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period as well as discontinued operations.
* In 2024, the former operating segment Consumer & Health Management Systems (CHS) was integrated into the Ambulatory Information Systems (AIS) segment, and some smaller profit centers were redistributed between the segments; therefore the prior-year figures were adjusted on the basis of the current organizational structure.

- The software business with physicians and dentists generated revenues of 694 mEUR in 2024 and was thus up 5 % year-on-year.
- In organic terms, revenues were 4 % below the prior year's figure. The revenue decrease is attributable to the development of non-recurring revenues, which decreased by 54 mEUR (- 25 %) to 165 mEUR, primarily due to higher non-recurring revenues in the telematics infrastructure business in the 2023 financial year and a slowdown in module sales.
- Recurring revenues in the AIS segment rose by 16 mEUR (+ 3 %), whereby the share of recurring revenues increased from 70 % to 76 %. This is mainly due to the change in the billing model from individual to recurring revenues in the telematics infrastructure business, as well as price increases.
- Adjusted EBITDA decreased by 15 % to 167 mEUR, primarily due to ongoing investments in innovative product solutions, which, in addition to the declining revenue performance, further impacted the results.

Hospital Information Systems (HIS)

mEUR	2024	2023	Change
Revenues to third parties	319.0	314.9	1 %
thereof organic revenues*	317.8	314.9	1 %
thereof recurring revenues	227.8	209.7	9 %
Share of recurring revenues	71 %	67 %	+ 4 ppt
EBITDA adjusted	32.1	38.6	- 17 %
in % of revenues	10 %	12 %	- 2 ppt

* Adjusted for currency effects and revenues from companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period as well as discontinued operations.

- In 2024, HIS segment revenues increased by 1 % to 319 mEUR.
- Adjusted for acquisitions and currency effects, organic growth stood at 1 % in the year under review.
- Revenue growth is primarily attributable to how recurring revenues developed, driven by price increases, which rose by 18 mEUR (+ 9 %) to 228 mEUR, representing 71 % of total revenues (previous year: 67 %). Non-recurring revenues decreased by 14 mEUR (- 13 %) to 91 mEUR, primarily driven by new projects in Germany and Switzerland in the prior year, which, during the run-up phase, correlated with higher non-recurring revenues.
- Adjusted EBITDA amounted to 32 mEUR and was therefore 17 % below the prior year's figure, which was caused by additional expenses for major projects and investments in G3 technology.

Pharmacy Information Systems (PCS)

mEUR	2024	2023	Change
Revenues to third parties	141.3	141.0	0 %
thereof organic revenues*	141.3	141.0	0 %
thereof recurring revenues	97.0	91.3	6 %
Share of recurring revenues	69 %	65 %	+ 4 ppt
EBITDA adjusted	49.2	51.1	- 4 %
in % of revenues	35 %	36 %	- 1 ppt

* Adjusted for currency effects and revenues from companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period as well as discontinued operations.

- In 2024, the PCS segment's revenues amounted to 141 mEUR, thus remaining at the prior-year level.
- In organic terms, revenues were also at the same level as in the prior year (0 %).
- Whilst non-recurring revenues decreased by 5 mEUR (- 11 %) to 44 mEUR, primarily driven by higher hardware revenues in Italy in the prior-year period, recurring revenues increased, driven by price increases, by 6 mEUR (+ 6 %) year-on-year to 97 mEUR, which is equivalent to a share of 69 % in total revenues (prior year: 65 %).
- Adjusted EBITDA amounted to 49 mEUR and was thus 4 % below the comparable prior-year figure. Among other factors, 2023 was positively influenced by research and development grants received in Italy and Germany.

Other business activities and consolidation

mEUR	2024	2023*	Change
Revenues to third parties	0.0	0.0	n/a
EBITDA adjusted	- 23.8	- 21.0	- 13 %

* In 2024, the former operating segment Consumer & Health Management Systems (CHS) was integrated into the Ambulatory Information Systems (AIS) segment, and some smaller profit centers were redistributed between the segments; therefore the prior-year figures were adjusted on the basis of the current organizational structure.

- In 2024, adjusted EBITDA in All other segments and in consolidation was 3 mEUR below the level of the prior year, mainly due to higher consulting fees, primarily in connection with obtaining C5 attestation in Germany according to the criteria of the German Federal Office for Information Security.
- The adjusted extraordinary effects amounting to 7 mEUR were primarily attributable to expenses related to management changes, project costs associated with a planned change in shareholder structure, impairments of financial borrowings, restructuring expenses, share option programs and the adjustment of income from the release of provisions.

2.3.2 Financial position

2.3.2.1 Statement of cash flows

In financial year 2024, cash flow from operating activities amounted to 129 mEUR compared to 180 mEUR in the prior year. Changes compared to 2023 relate to the following items in particular:

Free cash flow is defined as cash flow from operating activities less the cash flow from investing activities (not including proceeds from and payments for company acquisitions and joint ventures, the disposal of subsidiaries and business units, the acquisition of non-controlling interests and the settlement of purchase price claims from company acquisitions in prior periods). In financial year 2024, it amounted to 66 mEUR, thus 47 mEUR below the prior year. The decline in free cash flow during the reporting period compared to the prior-year period was primarily due to higher tax and interest payments, a lower operating result, payments related to restructuring measures and increased capital expenditure on property, plant and equipment.

Working capital of 16 mEUR in 2024 contributed to the increase in cash flow from operating activities, compared to 2023, where working capital led to a reduction of 9 mEUR in cash flow from operating activities. This development is mainly due to changes in inventories, other assets, trade payables and contract liabilities.

Cash flow from investing activities was - 105 mEUR in 2024, compared to - 124 mEUR in the prior-year period. This movement was mainly caused by lower investments in fixed assets and lower payments for company acquisitions compared to 2023.

The cash flow from financing activities was + 19 mEUR in financial year 2024 (prior year: - 81 mEUR). This change results mainly from higher net borrowing in 2024 and, conversely, from the acquisition of treasury shares and the higher dividend distribution in 2024.

2.3.2.2 Principles and objectives of financial management

The general financial management strategy primarily strives to ensure the group's liquidity while maintaining financial independence, to actively manage financial risks and to continuously optimize and digitize the corresponding processes.

Cash and cash equivalents are optimized both at group level and at the level of the individual companies, whereby the target values are based in equal measure on liquidity and efficiency considerations. In order to support the achievement of these targets, cash pools were set up in many European countries to allocate surplus liquidity to the parent company while keeping group-wide borrowings to an absolute minimum. A key principle of the cash pooling structure is to maintain a master account at the level of CompuGroup Medical SE & Co. KGaA (pool leader), the parent entity of the group. Usually, this company also holds all material liabilities to banks, including the flexible revolving loans and short-term credit lines used for the group's day-to-day liquidity management.

CompuGroup Medical SE & Co. KGaA's liabilities to banks are usually denominated in euro with variable interest rates. Based on the implementation of an interest rate swap with a notional volume of 200 mEUR and a remaining term until July 2028, loans were switched to fixed interest payments; with this measure, the group strives to counteract the upcoming changes in the interest rate environment. Moreover, an interest rate cap with a notional volume of 400 mEUR and a remaining term until May 2031 was concluded in order to limit interest rate risks at an early stage.

Given the group's international focus, incoming and outgoing payments may be paid in currencies other than the euro. The group generally strives for natural hedging through its choice of suppliers and locations. In addition, forward exchange transactions may be used for hedging purposes. Where appropriate, intra-group financing transactions of individual companies outside the euro zone are hedged against currency risks with FX swaps. In order to optimize costs and mitigate potential risks, the workflows for requesting funds, carrying out limit reviews, hedging and contractual documentation for these intra-group financing transactions were redesigned. The development of the relevant items that are exposed to currency risks is continuously monitored to ensure an appropriate response to significant changes.

CGM is very much a growth-oriented group, which is why surplus financial resources are primarily used to finance further growth in the best possible way. Accordingly, CGM's dividend policy is aligned with its corporate strategy. Future dividends are linked to long-term, sustainable profits. The dividends reported and approved by the shareholders are distributed each year on the first working day after the Annual General Meeting.

2.3.2.3 Capital structure

Company acquisitions in the financial year were financed via debt capital, as well as self-generated cash flows. In terms of capital structure, the group's goal is to prevent the equity ratio from falling below 25 % for extended periods through appropriate management of group profits, dividends and capital measures such as share placements and share buybacks.

On December 31, 2024 the group's gross debt, which consists mainly of liabilities to banks, financial liabilities to third parties and lease liabilities under IFRS 16, amounted to 880 mEUR (prior year: 767 mEUR). Cash amounted to 107 mEUR (prior year: 64 mEUR). In addition to a syndicated credit facility, the group has additional bilateral credit facilities and promissory note loans. For information on liabilities to banks and the structure of debt, please refer to note E.17 Financial liabilities.

In October 2023, a promissory note loan with a volume of 300 mEUR was placed successfully. The issue consists of five tranches with maturities of three, five and seven years. The three-year tranche carries a variable interest rate, while the other tranches were each issued with a fixed and variable interest.

The revolving multi-currency credit facility of January 2020 amounting to 600 mEUR is still part of the group's financing instruments and is in force until January 2027. The syndicate of banks includes BNP Paribas, Commerzbank, Deutsche Bank, Landesbank Baden-Württemberg, SEB and UniCredit.

The syndicated term loan amounting to 130 mEUR was fully drawn (prior year: 130 mEUR). An amount of 115 mEUR of the 600 mEUR revolving credit facility was utilized as at December 31, 2024 (prior year: 0 mEUR).

The loans are subject to compliance with a financial covenant (leverage). Various German subsidiaries have issued joint and several payment guarantees for loans taken out (default liability for nonpayment by CompuGroup Medical SE & Co. KGaA). In financial year 2024, CGM fully complied with all financial covenants in the existing loan agreements.

2.3.2.4 Investments

In financial year 2024, the investments of CGM refer to the following:

mEUR	2024	2023
Company acquisition	-43.7	-35.0
Purchase of minority interest and past acquisition	-3.9	-15.3
Joint ventures and other equity investments	-0.3	-7.6
Sale of subsidiaries and business operations	5.1	0.0
CAPEX	**-62.5**	**-66.5**
Capitalized inhouse services and other intangible assets	-38.1	-48.9
Office building and property	-0.9	-0.2
Other property and equipment	-23.5	-17.4
Total	-105.3	-124.4

2.3.2.5 Liquidity

The group has a solid liquidity position driven by stable cash flow from operating activities. Free cash flow in financial year 2024 amounted to 66 mEUR.

Furthermore, a considerable share of recurring revenues derives from prepayments, thereby boosting working capital at the beginning of the annual, quarterly and monthly payment periods. The group mainly uses direct debit for such recurring revenue payments in order to continuously improve the reliability and speed of incoming payments. To date, the group has always been able to properly satisfy its payment obligations when due. The group assumes that future payment obligations will also be satisfied at all times.

Given its balanced liquidity profile, the group strives to maintain a limited cash position. As at December 31, 2024, the group was using a term loan of 130 mEUR, a revolving credit facility of 115 mEUR as well as a 200 mEUR bilateral loan from the European Investment Bank. In addition, promissory note loans amounting to 300 mEUR as well as other credit lines and bilateral loans amounting to 75 mEUR were used. The facilities under the syndicated loan and the short-term credit lines and bilateral loans are used in conjunction with cash pooling instruments to adequately meet the group's liquidity requirements. As at December 31, 2024, CGM had non-utilized short-term credit lines of 85 mEUR and an open amount in the revolving credit facility of 485 mEUR.

2.3.3 Net assets of the group

Total assets increased by 66 mEUR year-on-year to 1,966 mEUR at the end of the reporting period.

Intangible assets represent the largest asset item in terms of value, amounting to 1,355 mEUR as at December 31, 2024, compared to 1,310 mEUR as at December 31, 2023. Intangible assets essentially comprise intangible assets identified in connection with company acquisitions. These intangible assets mainly relate to customer relationships, order backlogs, software, trademark rights and goodwill. They account for 68.9 % (prior year: 68.9 %) of total assets as at the reporting date. The increase in intangible assets is mainly attributable to the capitalization of goodwill resulting from the acquisition of Pridok AS in Norway, AmbulApps GmbH in Germany and CPS Concept SAS in France as well as from the capitalization of internally generated software, offset by depreciation of other intangible assets as well as completed, internally generated software projects.

Property, plant and equipment increased slightly year-on-year by 5 mEUR to 114 mEUR, mainly driven by investments in IT infrastructure. Based on the fair value measurement of the interest rate cap, the value of non-current derivative financial instruments was reduced from 17 mEUR to 8 mEUR. This was mainly due to lower interest rate expectations.

In the current assets item, inventories decreased due to valuation adjustments and reporting date effects from 19 mEUR on December 31, 2023 to 15 mEUR on December 31, 2024. Inventories mainly comprise goods for CGM's trading business with hardware and peripheral devices as well as components for the telematics infrastructure. For billing-related reasons, trade receivables decreased from 175 mEUR as at December 31, 2023 to 167 mEUR as at December 31, 2024. Income tax receivables fell by 9 mEUR to 29 mEUR in the reporting period due to reimbursements received in 2024 from tax assessments and adjusted tax prepayments. As at December 31, 2024, cash and cash equivalents amounted to 107 mEUR (prior year: 64 mEUR). Cash and cash equivalents increased mainly due to the higher balance of repayments and loans.

All other assets were subject to only marginal changes in financial year 2024.

Including consolidated net income in the amount of 35 mEUR for the period January 1 to December 31, 2024 and the dividend of CompuGroup Medical SE & Co. KGaA amounting to - 52 mEUR paid out in 2024, the acquisition of treasury shares amounting to - 15 mEUR, as well as exchange rate changes, interest rate changes (actuarial gains) and effects in connection with effective derivative financial instruments totaling 13 mEUR and the purchase of additional minority shares amounting to - 2 mEUR, consolidated equity shrank from 669 mEUR as at December 31, 2023 to 648 mEUR as at December 31, 2024. The equity ratio decreased from 35.2 % on December 31, 2023 to 33.0 % on December 31, 2024.

In the reporting period, current and non-current liabilities increased from 1,229 mEUR as at December 31, 2023 to 1,317 mEUR as at December 31, 2024. Significant individual changes included, on the one hand, the 115 mEUR increase in liabilities to banks, primarily due to the utilization of the credit facility for acquisition purposes starting in the second quarter of 2024, as well as the 13 mEUR increase in purchase price liabilities, mainly in connection with the Pridok AS acquisition in 2024. Furthermore, deferred tax liabilities increased by 6 mEUR, primarily driven by the capitalization of internally generated software, offset by the capitalization of deferred taxes in connection with tax loss carryforwards. On the other hand, current provisions decreased by - 21 mEUR due to payments in connection with restructuring measures. Current and non-current contract liabilities decreased by 5 mEUR as at the reporting date. Income tax liabilities were reduced by - 21 mEUR. The decline is partly due to the completion of the tax audit in Germany in the current year and the expansion of the fiscal unity for income tax purposes, also in Germany.

All other liabilities were only subject to marginal changes in financial year 2024.

On the whole, the net asset situation of the group can still be considered as solid.

2.3.4 Net assets, financial position and results of operations of CompuGroup Medical SE & Co. KGaA

2.3.4.1 Results of operations and financial position of CompuGroup Medical SE & Co. KGaA

The figures stated are based on the annual financial statements of CompuGroup Medical SE & Co. KGaA prepared in accordance with German commercial law. As a holding company, the company's results of operations are largely dependent on the performance of its operating subsidiaries.

The result for the year breaks down as follows:

mEUR	2024	2023
Operating income	119.3	-34.0
Investment income	219.2	112.9
Net interest result	-33.6	-26.0
Tax result	-8.2	2.3
Profit before tax	**296.7**	**55.2**
Other taxes	-0.2	-0.2
Annual result	296.5	55.0

The operating result improved by 153 mEUR to 119 mEUR in the reporting period. The improvement mainly derives from the intra-group sale of the interest in Lauer-Fischer GmbH for 144 mEUR to CGM Deutschland AG.

Net income from equity investments is made up of income from profit and loss transfer agreements and expenses from loss absorption, write-downs and write-ups of financial assets as well as income from investments. Compared to the prior year, net income from equity investments improved by 106 mEUR to 219 mEUR. This improvement is due mainly to higher income from profit transfers (169 mEUR), offset by the 10 mEUR devaluation of an investment and the reversal of a write-down on financial assets in the prior year (- 45 mEUR).

The following changes compared to the prior year are based on the profit and loss transfer agreements:

- The significantly improved result of CGM Clinical Deutschland GmbH, which increased by 45 mEUR to 40 mEUR, was mainly due to the gain realized on the intra-group sale of the interest in Aescudata GmbH to CompuGroup Medical SE & Co. KGaA in the amount of 59 mEUR.
- The 2024 annual result of Lauer-Fischer GmbH rose by 3 mEUR to 18 mEUR.
- The result of CGM Clinical Europe GmbH showed an improvement from 3 mEUR to 13 mEUR.
- The earnings contribution of CGM Deutschland AG rose by 94 mEUR to 91 mEUR, mainly due to the profit of CGM IT Solutions and Services GmbH, which increased by 81 mEUR, primarily as a result of the gain of 82 mEUR realized on the sale of the interest in LAUER-FISCHER Apothekenservice GmbH to CompuGroup Medical SE & Co. KGaA.
- For the first time, CGM LAB International GmbH transferred profit of 26 mEUR in the year under review.

Income from investments shrank by 16 mEUR. The distributions of 40 mEUR consist of profit distributions from the following subsidiaries:

- Imagine Editions SAS, France, in the amount of 18 mEUR
- Profdoc AS, Norway, in the amount of 13 mEUR
- MB Invest SAS, France, in the amount of 4 mEUR
- CompuGroup Medical Polska sp., Poland, in the amount of 3 mEUR
- CompuGroup Medical Ceská republika s.r.o., Czech Republic, in the amount of 2 mEUR

The following effects occurred in net interest result in the reporting year:

mEUR	2024	2023
Interest income from loans granted	2.3	2.8
Other interest and similar income	25.1	20.3
Interest and similar expenses on loans taken	-61.0	-49.1
Net interest result	-33.6	-26.0

The decline in the net interest result was caused by the 12 mEUR increase in interest expenses for variable-interest loans to 61 mEUR (prior year: 49 mEUR) and from the additional utilization of the credit facility. Other interest and similar income increased by 5 mEUR to 25 mEUR (prior year: 20 mEUR).

In the reporting year, tax income reached 8 mEUR (prior year: tax income of 2 mEUR). This corresponds to a tax rate of around 2.8 % (prior year: - 4.3 %). The tax rate is largely influenced by the tax-free disposal of investments (339 mEUR) and tax-free dividends (40 mEUR). Off-balance sheet additions of 5 % of investment income as non-deductible operating expenditure (17 mEUR) and non-deductible interest expenses (16 mEUR) had the opposite effect.

The net income of the company in the reporting year amounted to 297 mEUR (prior year: 55 mEUR).

2.3.4.2 Net assets of CompuGroup Medical SE & Co. KGaA

With a share of around 49.2 % (prior year: 59.9 %), financial assets are the most significant asset item in the statement of financial position in terms of value; a fact that is congruent with the company's function as a holding.

Compared to the prior year, the carrying amounts of financial assets have increased from 1,021 mEUR in the prior year to 1,083 mEUR as at the reporting date. As in the prior year, the main individual item within financial assets refers to shares in associated companies amounting to 1,077 mEUR (prior year: 1,016 mEUR). The change in financial investments was caused by the intra-group disposal of the investment in LAUER-FISCHER GmbH and the acquisitions of Aescudata GmbH and LAUER-FISCHER ApothekenService GmbH. The impairment of the investment in CGM France SAS had an offsetting effect of 10 mEUR.

Receivables from associated companies rose by 401 mEUR to 1,032 mEUR. This is primarily attributable to the purchase price receivable from the disposal of Lauer-Fischer GmbH (219 mEUR) and higher receivables from profit transfer agreements (177 mEUR).

Other assets were reduced from 19 mEUR to 11 mEUR, especially due to the receipt of income tax refunds.

The equity ratio was 31.4 % in the reporting period and thus above the prior-year level (prior year: 27.1 %).

The tax provision of 7 mEUR includes 5 mEUR for probable back payments for prior years and 2 mEUR for corporate income tax and trade tax for the past financial year. The change compared to the previous year is mainly due to the back payments resulting from the tax audit for the years 2015 to 2018, which was completed in the reporting year.

Other provisions decreased by 4 mEUR to 13 mEUR in the reporting year, mainly due to a lower level of outstanding incoming invoices and for severance payments.

Liabilities to associated companies increased by 147 mEUR to 623 mEUR in the reporting period, This is mainly due to the liabilities recognized from the intra-group acquisition of Aescudata GmbH amounting to 65 mEUR and the intra-group acquisition of the interest in LAUER-FISCHER Apothekenservice GmbH amounting to 82 mEUR.

Liabilities to banks

On December 31, 2024, CompuGroup Medical SE & Co. KGaA had liabilities to banks in the amount of 826 mEUR.

On August 30, 2023 the group took out a syndicated term loan amounting to 200 mEUR with a term of just under five years. The terms and conditions of the loan are similar in all material aspects to the terms and conditions of the term loan of January 28, 2020.

As at December 31, 2024, 130 mEUR of the syndicated term loan (prior year: 130 mEUR) had been drawn. Furthermore, on October 31, 2023, a promissory note loan with a total volume of 300 mEUR was placed successfully. It consists of five tranches with terms of three, five and seven years. The 3-year tranche is subject to a variable interest rate, while the other tranches are each subject to fixed and variable interests.

In addition, a revolving multicurrency credit facility of 600 mEUR has been in place since June 28, 2020. By exercising two renewal options, the term of this credit facility was prolonged until January 28, 2027. The syndicate of banks includes BNP Paribas, Commerzbank, Deutsche Bank, Landesbank Baden-Württemberg, SEB and Unicredit. An amount of 115 mEUR of the 600 mEUR revolving credit facility was utilized as at December 31, 2024 (prior year: 0 mEUR).

Various German group companies have issued joint and several payment guarantees for this loan agreement (default liability for nonpayment by CompuGroup Medical SE & Co. KGaA).

On July 11, 2022, CGM took out a credit facility of 200 mEUR with a six-year term from the European Investment Bank. This loan is designated for promoting research and development in connection with the digitization of the healthcare sector.

In addition to the aforementioned financing instruments, the group has two other loans with IKB as well as additional credit lines with an amount of 82 mEUR outstanding (prior year: 82 mEUR).

2.3.5 Overall assessment of the business performance and the group's and the company's situation

The business performance of CGM was negative overall in financial year 2024, marked by slightly negative organic growth and a decline in adjusted EBITDA. The share of recurring revenues in total revenue amounts to 74 % and is therefore in line with CGM's strategic goals and business model that are largely based on long-term customer relationships. In addition to operating business, the changes in earnings KPIs were caused by the increasing focus on the use of Artificial Intelligence (AI) in order to secure the company's innovative strength and to enable future growth.

As a holding company, the business performance and position of the company is largely dependent on the performance of its operating subsidiaries.

2.4. Financial and non-financial performance indicators

Since financial year 2020, CompuGroup Medical has been reporting adjusted key figures for operating income (EBITDA) and earnings per share. These key performance indicators are not defined under the International Financial Reporting Standards (IFRS) and should thus be regarded as supplementary information. The adjusted EBITDA and adjusted earnings per share do not include effects from the acquisition and disposal of major subsidiaries, business units and investments (nor effects from the subsequent measurement of contingent purchase price liabilities), write-downs or write-ups on investments, restructuring expenses, effects from the acquisition, construction or disposal of real estate, write-downs or write-ups on owner-occupied real estate, expenses in connection with share-based compensation programs for the Managing Directors, taxes attributable to the above effects, other non-operating effects or one-off effects referring to other periods.

CGM has a comprehensive planning and performance management system that is based on the above financial performance indicators. Group-wide planning and reporting software has been customized to CGM's individual requirements to consolidate financial and performance-related information and deliver it to managerial staff. The results are communicated to managerial staff in the form of a reporting package that also includes planned targets. Cascading business review meetings that analyze and discuss results and perform structured comparisons of projected and actual figures are held monthly from the level of business unit managers up to the Managing Directors. Any significant deviations from planning trigger a deeper and more detailed analysis to identify the causes and initiate corrective measures.

Financial performance indicators:

The company management approach focuses on the following key performance indicators for measuring growth, profitability, capital efficiency and innovative strength:

Main financial indicators:

1. Revenues/organic revenue growth

Revenues are defined as sales revenues generated with third parties ("revenues"). Organic revenue growth is defined as the change in revenue year-on-year, excluding acquired or disposed businesses or foreign currency effects, i.e. compared to the same period twelve months ago and expressed as a percentage change.

2. EBITDA (adjusted):

The (adjusted) earnings before interest, tax, depreciation and amortization (EBITDA) is used as an indicator of operational profitability.

kEUR	2024	2023
EBITDA reported	218,737	229,760
Adjustments:		
M&A Transactions	38	3,539
Share-based option programs	582	- 7,037
Restructuring program expenses	1,377	26,048
Other non-operative, extraordinary or one-time effects	3,847	12,427
EBITDA adjusted	224,581	264,737

The adjustments to the share-based option programs were influenced by one-off effects from the reversal of obligations due to changes in the management. The other non-operating extraordinary and one-off effects relate primarily to adjustments for expenses due to management changes in the reporting year, project costs associated with a planned change in shareholder structure, impairments of financial borrowings and the adjustment of income from the release of provisions. The restructuring measures, which significantly shaped the prior year, mainly consist of severance payments to adjust staffing structures and align skills in individual teams, particularly with regard to technological developments.

Additional financial indicators

3. EBITDA margin (adjusted)

The (adjusted) EBITDA margin, which is defined as EBITDA in relation to revenues and expressed as a percentage, is used as an indicator of operational profitability. The adjusted EBITDA margin in 2024 amounted to 19 % (prior year: 22 %).

4. Recurring revenues

Recurring revenues include revenues from all software maintenance contracts plus subscriptions for services such as Internet access, electronic data interchange, electronic data processing, business process outsourcing, data center hosting, hardware leases, software as a service contracts, etc.

kEUR	2024	2023
Revenues or software maintenance & hotline	497,313	498,903
Other recurring revenues	356,591	315,065
Recurring revenues	853,904	813,968
Recurring revenues	74 %	69 %

5. Organic growth

Organic growth is defined as the year-on-year increase in revenue, adjusted for revenues from companies consolidated for the first time in the reporting period and from companies consolidated for the last time in the prior reporting period, adjusted for revenues from discontinued operations and for currency translation effects.

kEUR	2024*	2023**
Group revenues	1,153,987	1,187,663
Ambulatory Information Systems (AIS)	7,914	14,020
Hospital Information Systems (HIS)	1,184	0
Pharmacy Information Systems (PCS)	0	0
Other business activities	0	0
Group organic revenues	**1,144,889**	**1,173,643**
Organic growth	-2.4 %	4.3 %

* Revenues 2024 adjusted for companies consolidated for the first time and currency effects.
* Revenues 2023 adjusted for companies consolidated for the last time and revenues from discontinued operations.

6. Free cash flow

The free cash flow (for the definition we refer to 2.3.2.5 Liquidity) is derived as follows:

kEUR	2024	2023
Operating cash flow	128,882	179,528
+ Cash flow from investing activities	- 105,281	- 124,327
./. Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	43,657	34,951
./. Cash outflow for acquisitions from prior periods	3,924	15,287
./. Cash inflow from the disposal of subsidiaries and business units	- 5,099	0
./. Cash outflow for capital expenditure for joint ventures and other equity investments	313	7,562
Free Cash flow	66,396	113,001

7. Earnings per share (adjusted)

Adjusted earnings per share are defined as the adjusted consolidated net income for the period attributable to the shareholders of the parent company divided by the weighted average number of shares as at the reporting date calculated in accordance with IAS 33.

kEUR	2024	2023
Consolidated net income for the period	**34,760**	**46,872**
of which: allocated to non-controlling interests	160	956
Consolidated net income for the period (allocated to shareholders of the parent company)	34,600	45,916
Adjustments:		
M&A Transactions	26,145	28,442
Share-based option programs	582	- 7,037
Restructuring program expenses	1,377	26,048
Other non-operative, extraordinary or one-time effects*	13,269	36,670
Taxes attributable to these effects	- 8,809	- 22,238
Adjusted consolidated net income for the period (allocated to shareholders of the parent company)	**67,164**	**107,801**
Adjusted undiluted earnings per share (in EUR)	1.29	2.06
Adjusted diluted earnings per share (in EUR)	1.27	2.06
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)	51,873	52,235
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)	52,785	52,455

* In addition to adjusted EBITDA effects, this accounts for costs in connection with the interest rate cap and the impairment of internally generated software.

8. CAPEX

CAPEX refers to capital expenditure for fixed assets, in particular in connection with research and development and internally generated software.

kEUR	2024	2023
Cash outflow for capital expenditure for intangible assets	38,108	48,879
Cash inflow from disposals of property, plant and equipment	- 427	- 1,325
Cash outflow for capital expenditure for property, plant and equipment	24,805	18,973
CAPEX*	62,486	66,527

* Without IFRS 16 CAPEX and CAPEX from acquisitions.

9. Equity ratio

The equity ratio is the percentage of equity capital in total capital. In the reporting year 2024, the equity ratio was 33.0 % (prior year: 35.2 %).

10. Leverage

Leverage is the ratio of net debt to EBITDA (adjusted for restructuring expenses) Last Twelve Months (LTM). Net debt is defined as current and non-current liabilities to banks, financial liabilities to third parties and lease liabilities resulting from the application of IFRS 16 less cash and cash equivalents adjusted for restricted cash.

EBITDA Last Twelve Months (LTM) is defined as the reported EBITDA of the last twelve months adjusted for restructuring expenses plus the EBITDA of newly acquired companies extrapolated to twelve months and less the EBITDA of companies or parts of companies divested in the period under review and adjusted for restructuring expenses.

The following table shows the leverage calculated based on LTM EBITDA:

kEUR	2024	2023
a. Liabilities to banks (non-current)	794,444	704,168
b. Liabilities to banks (current)	31,045	6,252
c. Financial liabilities to third parties (non-current and current)	49	87
d. Lease liabilities (non-current and current)	54,454	56,435
e. Cash and cash equivalents	-107,328	-64,461
thereof restricted cash	151	50
Net debt	**772,815**	**702,531**
a. EBITDA adjusted	218,737	229,760
b. Restructuring expenses	1,377	26,048
c. EBITDA extrapolated for 12 months of newly acquired companies	2,256	20
Leverage EBITDA (LTM)	**222,370**	**255,828**
Leverage	3.48	2.75

Non-financial indicators

Customer reach

The customer base is an important benchmark for assessing our size and relative importance in the healthcare sector. CGM uses the annual revenue from software maintenance, software leases and software as a service as its best estimate of the size and reach of its customer base. Growth in annual revenue from software maintenance, software leases and software as a service is used as an indicator of growth in the customer base.

kEUR	2024	2023
Software maintenance	497,313	498,903
Software rental and software as a service	89,780	57,350
Customer reach	587,093	556,253

No special financial indicators are used for managing CompuGroup Medical SE & Co. KGaA. The decisive factor here is to ensure the ability to distribute a dividend.

3. Guidance, risk and opportunity report

3.1. Guidance report

In its January 2025 update to the prior year's autumn report, the International Monetary Fund (IMF) forecasts global economic growth of 3.3 % for 2025 and 2026. After the successful containment of inflation, the IMF recommends focusing on three key areas: the gradual continuation of the interest rate cuts already initiated by the major central banks, the stabilization of national debt to restore fiscal buffers and the implementation of structural reforms to improve growth prospects and increase productivity.

For 2025, the International Monetary Fund (IMF) forecasts real economic growth of 2.7 % in the US and 1.0 % in Europe. In Germany, the IMF expects 0.3 % growth year-on-year.

An analysis by MarketsandMarkets published in November 2024 expects average annual growth of 14.7 % (CAGR) for the healthcare IT market (HCIT) until 2029. According to the analysis, the market volume is set to increase from 368.2 bnUSD in 2023 to 834.4 bnUSD in 2029.

Market growth will be driven primarily by technological innovation, the increased use of telemedicine solutions and the growing importance of user-generated digital health data. Additionally, the shift toward patient-centered, value-based care and the increased use of real-world healthcare data support the development of the market for IT solutions in healthcare. This growth is challenged by factors such as the lack of evidence-based standards, difficulties in data management and ethical issues related to consent.

Group

Since financial year 2020, CompuGroup Medical has been reporting adjusted key figures for operating income (EBITDA) and earnings per share. These key performance indicators are not defined under the International Financial Reporting Standards (IFRS) and should thus be regarded as supplementary information. The adjusted EBITDA and adjusted earnings per share do not include effects from the acquisition or disposal of subsidiaries, business units or investments (nor effects from the subsequent measurement of contingent purchase price liabilities), write-downs or write-ups on investments, restructuring expenses, effects from the acquisition, disposal or construction of real estate, write-downs or write-ups on owner-occupied real estate, expenses in connection with share-based compensation programs for the Managing Directors, taxes attributable to the above effects, other non-operating effects or one-off effects referring to other periods.

CompuGroup Medical expects the following in financial year 2025:

Group

- Organic group revenue growth (adjusted for acquisitions and currency effects) in the low to mid-single digit percentage range.
- Ongoing positive performance of recurring revenues with moderate revenue growth.
- Moderate adjusted EBITDA growth year-on-year.

Segments

Moderate organic revenue growth is expected for all three reporting segments.

The above guidance for the current financial year was published on March 6, 2025 and does not take into account any effects from company acquisitions not yet completed at that date or potential transactions to be carried out in the course of financial year 2025. The guidance for 2025 is based on the management's best estimate of future market conditions and the development of the business segments of CompuGroup Medical in this environment; it may be influenced by delays or changes in the implementation of the telematics infrastructure that are beyond the control of the company. Furthermore, there is still uncertainty regarding the further impact of the global economic environment. The guidance for 2025 may also be influenced by foreign exchange effects (especially changes in the USD/EUR conversion rate).

The selection and description of the financial indicators used in the guidance was adapted after analyzing the common market practices of peer group companies. Like the majority of the peer group, CGM's guidance now uses group and segment revenues as well as adjusted EBITDA for the current financial year as its performance indicators. In addition, the expected development of recurring revenues is presented as a further relevant key figure. The previous performance indicators, in turn, will no longer be detailed beyond this scope, as they do not provide any significant additional information in view of market expectations.

The key performance indicators for group guidance were adjusted after analyzing the common market practices of peer group companies. Like the majority of the peer group, CGM's guidance now uses group and segment revenues as well as adjusted EBITDA for the current financial year as its performance indicators. In addition, the expected development of recurring revenues is presented as one of the most important key figures.

Guidance for CompuGroup Medical SE & Co. KGaA

Due to its holding function, the company is dependent on the results achieved by its subsidiaries and is therefore not managed on the basis of financial performance indicators. The operating result excluding one-off effects is expected to be on a par with previous years. Net income from equity investments depends on profit transfers and dividends, and is expected to develop positively in line with the planned growth of the group. The guidance does not take into account any corporate internal restructuring. Although interest rates have decreased slightly, albeit at a continuously high level, the net interest result will remain unchanged due to the increased level of debt in the reporting year. The company therefore expects 2025 net profit, excluding material special effects, in the low to mid double-digit million range for the company's separate financial statements under German commercial law (HGB). The above guidance for the current financial year was prepared in February 2025 and does not take into account any effects from company acquisitions not yet completed or potential transactions to be carried out in the course of financial year 2025. The guidance for 2025 is based on a management assessment of future market conditions and the development of the business segments of CompuGroup Medical SE & Co. KGaA in this environment.

3.2. Risk report

3.2.1 Risk management system

As an internationally operating group, CGM is subject to a variety of different risks. CGM is aware of the need to take risks, which also allows the group to seize opportunities. Effective management of existing and emerging risks is crucial for the long-term economic success of our company and the achievement of our strategic goals. The risks and opportunities presented below apply to CompuGroup Medical SE & Co. KGaA and the entire group.

The risk management system of CGM is implemented at the level of the individual companies, the business areas and at group level. A significant component of the risk management system is the group-wide early warning system, for example in the form of internal benchmark and cost efficiency analyses and performance gap analyses for the group's relevant performance indicators. The Internal Audit department is responsible for reviewing the adequacy, effectiveness and efficiency of the risk management system. In financial year 2024, Internal Audit once again conducted a review of the quality and functionality of our risk management system. On this basis, a statement can be made about the effectiveness of the risk management system, particularly with regard to the identification and assessment of significant risks, the control of measures and the integration into corporate management.

Within the framework of corporate governance, the internal control system also contributes to CGM's risk management system.

The risk reporting system encompasses systematic identification, quantification, documentation and communication of risks. The corresponding principles, processes and responsibilities are documented in a group-wide risk management policy and have been implemented throughout the group. New and relevant information is taken into account in the ongoing development of our policies and systems for the continuous improvement of the risk management system. Management is expected to be able to identify risks that endanger CGM's growth or its continued existence as a going concern early on, and to minimize their impact as far as possible.

Consciously taking predictable risks as part of our risk strategy is an unavoidable aspect of doing business. Risks that could endanger the group as a going concern may not be taken and must be excluded by risk management. If this is not possible, such critical risks must be minimized or transferred, for example by taking out adequate insurance. Risks are controlled and monitored at the level of the individual companies, the business areas and at group level.

We understand risks as potential future developments or events that could have a negative impact on the financial figures overall and CGM's earnings projections in particular. The risks identified are essentially assessed for CGM's one-year guidance horizon.

The consideration of environmental, social and governance risks (ESG risks) is becoming increasingly important in the risk management of CGM, but the integration of specific sustainability-related processes and risks is still in the development stage. The aim is to identify, assess and manage relevant sustainability risks at an early stage.

The annual risk reporting process begins by identifying all major risks within defined risk categories. CGM has defined eleven risk categories:

- Data processing risks
- Financial risks
- Macroeconomic and political risks
- M&A risks
- Operational risks
- Personnel risks
- Project risks
- Regulatory risks
- Other risks
- Tax risks
- Strategic risks

We assess the identified risks based on their probability of occurrence and potential loss. The gross loss is initially estimated by the local risk managers. The risk managers also document measures for risk avoidance and minimization in addition to options for transferring risk before concluding with a net assessment. Risk identification and risk assessment are supported by the management of the respective company or business unit and approved in accordance with the four-eyes principle. The risks identified at the local level are then analyzed and reviewed by the central risk management department to ensure the completeness and consistency of risks across the group. After completing its analysis of the identified, reported and quantified risks, Risk Management aggregates the risks by means of a Monte Carlo simulation and produces an overall assessment.

The loss value per risk category and the loss value for the group's overall risk situation produced from this Monte Carlo risk aggregation are taken as the expected annual loss (on risk occurrence). The value-at-risk method reveals information on the potential maximum annual loss associated with the group's overall risk situation.

Subsequent risk reporting is addressed directly to the General Counsel, who informs the Managing Directors, the Administrative Board and the Supervisory Board of the group's risk situation. The CEO and the CFO are informed without delay of material unforeseen changes. CEO and CFO must then inform the Managing Directors and the Supervisory Board of such significant unforeseen developments. Group Risk Management is responsible for coordinating the whole process and for analyzing the inventoried risks. A quarterly risk report is submitted to the aforementioned bodies by the risk manager in charge (Group Risk Management).

The risks for the group's eleven risk categories for the period from January 1 to December 31, 2024 were communicated to those bodies. The group's risk categories are ranked as follows according to the severity of the risks reported:

1. Operational risks	(2)
2. Project risks	(5)
3. Financial risks	(7)
4. Data processing risks	(1)
5. Regulatory risks	(3)
6. Strategic risks	(4)
7. Macroeconomic and political risks	(8)
8. M&A risks	(11)
9. Personnel risks	(6)
10. Other risks	(9)
11. Tax risks	(10)

The numbers in parenthesis show the ranking of the risk categories in 2023 for comparison. The ranking of our risk categories changed in the reporting period as a result of the reassessment of potential risk categories and individual risks. The reassessment of potential risk categories and individual risks, which is part of the risk inventory, revealed a slightly lower overall risk assessment compared to the previous year. While some individual risks in the categories of financial risks, M&A risks and project risks increased due to changing market and framework conditions, other risk areas, such as personnel risks and tax risks, saw a reduction. As a result, the overall risk assessment changed only marginally.

The risk categories apply to all relevant operating segments. They do not differ from segment to segment, and the group does not report them differently. All segments essentially operate in the same macroeconomic environment and on the same markets (exclusively in the healthcare market), and the nature of their products and services are also fundamentally the same (software and related services).

The risk reporting process is supported by an intranet-based risk management system that ensures transparent communication throughout the group. This provides for transparent communication processes in the entire group.

3.2.2 Risks

Operational risks

Operational risks refers to risks associated with research and development, markets and customers. The expected potential annual loss for all operational risks identified in the analysis is approximately 12 mEUR (prior year: 12 mEUR).

Research and development

There is a risk that products and modules will not be created with the necessary quality within the time and budget allotted. To avoid this risk, the group conducts systematic and regular reviews of project progress and compares the results against the original targets, ensuring that measures can be taken to compensate for impending losses whenever this results in any deviation. Given the broad range of our research and development activities, there is no discernible risk concentration on any specific products, patents or licenses.

Market and customer risks

Given the complexity of our products and the considerable legal requirements, sales and distribution entail certain risks. Special training is offered to ensure that the sales and service partners comply with our quality requirements. The selection of the sales and service partners is subject to strict requirements.

The e-health market is highly competitive and characterized by advancing market maturity. This competitive situation may lead to price pressure on our products and services, as well as to increasing expenses for customer retention and acquisition. In the current financial year, as in the prior financial year, CGM expects consistently good business performance with manageable risks that could affect the results of operations.

Project risks

These risks arise in particular from non-compliance with agreed schedules, a lack of or inadequate employee resources, a lack of or inadequate material resources, a lack of customer acceptance of the project services rendered, etc. The analysis shows an expected potential annual loss for all identified risks in this category of approximately 9 mEUR (prior year: 7 mEUR). The increase in risk is caused by the nature of the project business and the number of new major projects.

The group generates some of its revenues from project business. There are potentially long time periods between an order being placed and billed, during which the company must render advance services. During these periods, the company especially bears the credit risk of its customers. Furthermore, there are risks from project delays, including penalty claims, reputational damage and margin losses, which have increased in particular as a result of new major projects. Furthermore, in project business, the company is exposed to the risk of a continuous need for new orders/ projects to be able to generate the necessary revenues or growth. Owing to the very high initial implementation costs of the software solutions and the associated long product life cycle, there is a risk, especially in the HIS segment, that lucrative new business is delayed. The company therefore strives to maintain long-term business relationships with its customers, mostly by performing software maintenance, in order to be available as a contact partner and to be able to participate in the bidding process for new orders/projects. Risks may also arise if the market is inadequately monitored, resulting in an insufficient number of offers and orders for the company. In the event of a lack of new business and the termination of software maintenance contracts, the company could suffer a loss of revenue, which would have a negative impact on the group's results of operations.

Financial risks

These risks are in particular liquidity and refinancing risks, currency risks and control risks. The expected potential annual loss for all financial risks identified in the analysis is approximately 9 mEUR (prior year: 4 mEUR).

Liquidity and refinancing risks

Business models that are not exclusively financed by equity are exposed to the risk of the leveraged portion being dependent on the refinancing options available on the capital market. In order to counter this risk factor, CGM bases its financing on different instruments.

In October 2023, the company issued its first promissory note over 300 mEUR. This new instrument creates a new source of financing that will additionally mitigate liquidity risks. In August of the same year, the company additionally took out a term loan totaling 200 mEUR. These two new instruments were used to prematurely repay the existing 400 mEUR term loan and to increase the average maturities.

To cover the short and medium-term liquidity needs, the company also has a syndicated revolving loan and bilateral credit lines with EIB and other house banks at its disposal.

A financial covenant has been agreed in the syndicated credit facility. A breach of the financial covenant can result in the loan being called due immediately. This creates liquidity and refinancing risks. There was no such breach as at the reporting date. An additional short-term liquidity risk results from the risk of misjudgments in working capital planning that could mean that short-term trade receivables or payables are not received or settled on time.

Corporate Treasury prepares a rolling liquidity plan with varying time horizons (daily, weekly, monthly and quarterly) to monitor and manage short-term liquidity risks. Short-term fluctuations in working capital requirements are monitored on a daily basis and can be absorbed adequately by existing credit lines. Structural or short- and medium-term liquidity requirements can generally be met by utilizing the revolving credit line.

Working capital is monitored on an ongoing basis to address any resulting liquidity risks.

The medium-term liquidity risk is monitored and managed with the help of 12-month liquidity planning. Compliance with financial covenants is systematically monitored as part of budget planning and in retrospect, and the results are regularly reported to both the management and the banks.

CGM considers changes in interest rates to be its primary market risk. The risk management strategy therefore aims to balance out all relevant cash flow risks. The fact that most of the company's non-current financial liabilities are entered into on the basis of variable interest rates, an interest rate risk arises for rising short-term interest rates, while the development of long-term interest rates only moderately influences the cash flow profile.

Despite all the preventive measures taken, particularly the interest rate cap concluded in 2021 and the interest rate swap concluded in 2022, it cannot be entirely ruled out that refinancing interest rates to be paid by the company will be subject to an unfavorable development or refinancing from leverage will not be granted in the medium term. Given the ECB's changes in the key interest rate, the interest environment has already started to be more unfavorable. The ongoing rise in interest rates and inflation in 2024 increased the financing risk.

Further financial risks relate to the risk of bad debts. Given the group's diversified markets and customer structure, there are no cluster risks. On average, the risk of bad debt is generally low in the long term thanks to the predominantly high credit rating of our customers. Nevertheless, we were able to perceive a deterioration in the creditworthiness of some business partners in 2024, which could potentially lead to higher default losses and a strained liquidity situation.

Currency risks

Given the group's international focus, incoming and outgoing payments are made in various currencies. The group compares and offsets its cash flows in the individual currencies. The company generally strives to achieve extensive natural hedging based on a careful selection of its suppliers and locations. CGM currently makes selective use of derivative financial instruments to hedge currency risks, in particular with respect to intergroup loan relationships. The development of the relevant positions is monitored regularly to ensure an appropriate response to significant changes. Volatile exchange rates increased currency risks last year.

Data processing risks

These risks arise primarily from a lack of coordination and alignment of the IT strategy with corporate objectives, insufficient information security, inadequate documentation, etc. The analysis shows an expected potential annual loss for all identified risks in this category of approximately 9 mEUR (prior year: 13 mEUR).

CGM's customers use the products and services it offers to store, process and transmit highly confidential information about the health of their patients. Given the sensitivity of this information, security features are highly important as an integral part of our products and services. If, despite all efforts, the security features offered by CGM's products do not work properly, claims for damages, fines, penalties and other liabilities due to a violation of applicable laws or regulations could arise. The extensive range of online services and the associated heavy use of these services means that the risk exposure in this context remains.

Also, substantial costs for fixing any defects and re-engineering could arise. This could also damage CGM's image as a trustworthy business partner.

To avoid such security vulnerabilities, high demands are placed on quality management in both software development and maintenance. CGM also places high demands on its internal information security management system and has therefore had this audited by an independent third party and certified in accordance with ISO/IEC 27001 - the internationally recognized standard for information security management systems. The Business Continuity Management (BCM) program at CGM, which was launched in 2024, is helping to significantly reduce information security risks by strengthening the resilience of critical IT systems, safeguarding business-critical processes in the event of cyberattacks or IT outages and ensuring a rapid recovery of operational capability. The continuous expansion of internal structures and the resulting steady increase in transparency led to an overall reduction in data processing risks in 2024.

Regulatory risks

These are in particular legal and regulatory risks as well as data privacy risks. The expected potential annual loss for all regulatory risks identified in the analysis is approximately 8 mEUR (prior year: 9 mEUR).

Legal and regulatory risks

CGM's business activities are strongly influenced by the regulatory environment of the public healthcare systems in the individual national markets and thus also by the corresponding market structures. On the one hand, the regulatory structure of the European healthcare sector, which is currently the group's primary market, is based on regulations such as the laws and directives issued by the respective states and, on the other, by supra-national structures that are essentially adopted by the European Union and lifted or amended by court decisions. In particular, the group is therefore exposed to the risk where changes to existing regulations or the adoption of new legislation could adversely affect its business activities. This applies at both the national and supranational level, particularly within the European Union. Regulatory adjustments can adversely affect market conditions relevant to CGM and thus have an economic impact on the group or individual subsidiaries. Exact forecasts with regard to the introduction and extent of potential amendments to national and supra-national regulations or their impact on CGM's key markets are not possible as the introduction and extent of such regulations are dependent on the political process in the individual countries, and their subsequent impact is greatly influenced by the response by the respective market participants affected.

There are currently no known or threatened legal disputes that could have a significant impact on the financial situation of the group.

The protection of intellectual property, including information and developed technologies, is of essential importance to CGM. However, it is not possible to completely exclude risks that may arise from the unlawful use of intellectual property. CGM, however, believes that the options currently available are sufficient to protect its property rights in order to prevent illegal use, which could lead to significant quantitative and qualitative losses.

Data privacy risks

Regulatory risks also include data privacy risks. Identifying and managing data protection risks is essential for a company like CGM, as handling sensitive customer data is subject to strict legal requirements (e.g., GDPR), and violations can result in severe penalties and reputational damage. The deterministic model of risk assessment remained unchanged from the previous year. CGM's data protection management system (DSMS) significantly contributes to the reduction of data protection risks by ensuring compliance with regulatory requirements such as GDPR, establishing data protection-compliant processes and minimizing the risk of data loss, unauthorized access and compliance violations through preventive measures and regular audits. This also includes the implementation of appropriate technical and organizational measures to protect personal data against unauthorized access, unlawful processing, unlawful disclosure and accidental loss or destruction.

Strategic risks

CGM defines strategic risks as risks that could jeopardize the financial result arising from the company focusing inadequately on the respective business environment. The expected potential annual loss for all strategic risks identified in the analysis is approximately 7 mEUR (prior year: 7 mEUR).

Strategic risks may result from an inadequate strategic decision-making process, from unforeseeable market developments or from poor implementation of the chosen company strategy. The strategic direction of the CGM group is set at the level of the Managing Directors and is subject to regular controls.

- Risks related to changes in the healthcare market are of material importance to the CGM group. This primarily concerns the development of new products and services by competitors, the financing of healthcare systems and reimbursement in the healthcare sector.
- The e-health market is characterized by rapidly changing technologies, the introduction of new industry standards and new software launches or new features. One example is the technological transition in artificial intelligence. This may lead to existing products and services becoming obsolete and therefore becoming less competitive.

- Regulatory developments or the introduction of new industry standards could impact the market positioning of CGM to the extent that the products and services offered no longer fully comply with these new statutory requirements or industry standards.

CGM's future success will depend in part on its ability to improve existing products and services and to interconnect them in order to respond in a timely manner to new product launches by competitors as well as to meet changing customer and market requirements.

Furthermore, CGM would incur additional costs for product development and further development due to products and services quickly becoming obsolete, which could have an adverse impact on the annual result.

Since telematics infrastructure was introduced, CGM has been manufacturing the connector technology itself with the help of subcontractors. CGM’s corresponding activities as a hardware producer thus give rise to risks typical for a production company. These may include, for example, supply chain and procurement risks (e.g. dependence on subcontractors), market risks and quality and product liability risks.

Macroeconomic and political risks

In particular, these are risks arising from political changes and the effects of macroeconomic developments. The analysis shows an expected potential annual loss for all identified risks in this category of approximately 4 mEUR (prior year: 4 mEUR).

The products and services offered by CGM are currently marketed from offices in 19 countries. Both the establishment of business relationships in these countries and the business activity itself entail the usual risks for international business. In this context, particular attention must be paid to the prevailing general economic or political situation in the individual countries, the clash of different tax systems, legal hurdles such as import and export restrictions, competition regulations and statutory provisions governing the use of the Internet or guidelines for the development and provision of software and services.

CGM counteracts these risks by regularly consulting with local law firms and tax advisors in countries where it is entering the market or adding additional business activities and by maintaining contact with local public authorities. Risks that may arise from changes in macroeconomic factors can never be completely ruled out.

While terms of use with the customer contractually prohibit misuse of the source code or other trade secrets, there is a residual risk that source codes or trade secrets may come into the possession of third parties and that they may unlawfully benefit from them. It is also conceivable that this could enable third parties to independently develop similar or better products based on CGM's protected technologies or designs. This risk can never be completely ruled out.

M&A risks

These are in particular acquisition and integration risks. The expected potential annual loss for all M&A risks identified in the analysis is approximately 3 mEUR (prior year: 0.4 mEUR).

Going forward, CGM also plans to further expand its presence in the national and international market. To this end, the company also aims to achieve growth through company acquisitions. Nevertheless, every acquisition entails a risk which, if it materializes, may have an impact on the group's earnings. Since various new acquisitions were made in 2024, the potential annual loss has also increased.

The risks from acquisitions undertaken during the financial year under review have already been included in the established risk management process and are based on information gained during the due diligence.

Intangible assets purchased in acquisitions account for a significant share of the group's assets. In accordance with the group's mandatory accounting policies, goodwill is tested for impairment at least once per year, and other assets are tested after triggering events. If such testing determines that assets are impaired, this necessarily results in a corresponding adjustment of the carrying amounts of these assets. Various factors, such as changes in legislation or the competitive environment, can have a significant impact on the value of intangible assets. If intangible assets are subject to impairment, extraordinary depreciation must be recognized, which results in a corresponding reduction in profit or loss for the period.

Personnel risks

These are in particular risks arising from the concentration of company-relevant expertise on individual employees, staff fluctuation, overstaffing and understaffing, poor working atmosphere, etc. The analysis shows an expected potential annual loss for all identified risks in this category of approximately 2 mEUR (prior year: 4 mEUR).

The commercial success of the group is linked to a large extent to the management and strategic leadership of the Managing Directors and also several employees in key positions. Despite the fact that management duties are also performed by other employees in addition to the Managing Directors, it can be safely assumed that the business activities of the company and its financial position and results of operations would be negatively impacted by the loss of individuals in key positions.

The group considers the performance of its employees to be essential for growth and development. In this respect, the company competes with other companies to attract highly qualified specialists and managerial staff. The group therefore offers an attractive remuneration system and individually tailored continuing professional development to attract employees and retain them over the long term. At present, there are no known significant risks that could have an impact on the recruitment of specialists and management staff and that could thus jeopardize the growth targets that have been set.

CGM considers its employees to be an integral part of the group's public image. Consequently, non-compliance with the ethical principles embedded within CGM can pose risks that may negatively affect the company's image and reputation. The group may suffer potential reputational damage if insufficient attention is paid to gender equality or equal pay, as negative public perception or stricter legal requirements could lead to a loss of trust among stakeholders, a lower attractiveness as an employer and possible economic disadvantages. The decline in personnel risks is the result of a stronger corporate culture, improved employee retention measures and the successful filling of critical key positions.

The decline in personnel risks is the result of a stronger corporate culture, improved employee retention measures and the successful filling of critical key positions.

Other risks

Other risks are mainly those risks that cannot be or have not yet been assigned to any of the other risk categories. This category serves to recognize and disclose both newly identified risks and novel developments that might be of a temporary nature. The expected potential annual loss for all other risks identified in the analysis is approximately 1 mEUR (prior year: 3 mEUR).

Two types of risk were classified as other risks in the reporting period that go beyond the company's normal macroeconomic and political risk context. Possible impacts from an attack on NATO countries as well as environmental risks, such as impacts on business continuity and supply chains due to climate change or natural disasters. These environmental risks were recorded as part of sustainability reporting and integrated into risk management.

Tax risks

These are in particular risks from subsequent payment of taxes (also for acquired companies), pricing of goods and services between associated companies and inaccurate legal structure as a result of inaccurate tax planning. The expected potential annual loss for all tax risks identified in the analysis is approximately 1 mEUR (prior year: 3 mEUR).

The risk of further claims arising from external audits by tax authorities, for which the company has recognized only insufficient provisions if at all, cannot be ruled out entirely. From today's perspective, the group has recognized sufficient provisions for general risks arising from ongoing tax audits.

Presentation of the overall risk position

On a cumulative basis, the total potential annual loss for the group is 65 mEUR (prior year: 66 mEUR). The potential maximum annual loss at group level within a 95 percent confidence level amounts to approximately 97 mEUR (prior year: 99 mEUR) with a 5 percent probability of higher, unexpected losses.

Based on an assessment of the currently identified risk positions, the continued existence of CompuGroup Medical SE & Co. KGaA and the group as a going concern are not at risk. The cumulative potential annual loss could be covered by the group's expected cash flow from operating activities.

3.3. Report on opportunities

Increasing amounts of data are being collected in the healthcare system – in private medical practices, hospitals and by health insurers. Physicians also want to share detailed insights and information with their peers, always with the aim of providing each patient with the individual optimal care. At the same time, indications and treatment options are becoming more differentiated and thus more complex. Both the time pressure and the amount of medical information available are constantly increasing: it is becoming more and more difficult to have all information available with perfect precision at all times.

For more than 30 years, CGM has been helping its customers to reduce increasing bureaucracy and paperwork and to ensure that important medical information is available where it is needed. This relieves the burden on physicians and healthcare professionals, freeing up more time for what matters most: providing their patients with the required care. To this end, information sharing and interaction between general physicians and specialists, hospitals, pharmacies and other healthcare stakeholders are paramount.

Opportunities in operations

Technological leadership and innovation

CGM is well positioned to continue its trend-setting position in technology and innovation in the future. As an experienced pioneer, CGM constantly develops innovative solutions to facilitate healthcare communication, learn from data and share new insights with the overall healthcare sector.

Initiative for increased use of Artificial Intelligence (AI)

CGM continues its comprehensive initiative to further expand the use of Artificial Intelligence (AI), machine-learning and large language models within the group. This initiative is being continuously expanded, and the insights gained are already being incorporated into our products and solutions. Although several CGM products and solutions already rely on AI-based functions, there is considerable potential for AI to fundamentally transform the healthcare IT sector in the years to come. The new AI technology is being integrated in various areas and workflows, starting from software development up to support processes, including customer care functions and administrative tasks.

An excellent example of the benefits of this technology is the field of documentation. By utilizing speech-to-text models, we anticipate significant relief for our customers, as this technology makes documentation processes more efficient and less time-consuming.

Customer retention and expert knowledge

Customer retention and expert knowledge are considerable entry barriers for new competitors. This is especially true of hospital systems where technical implementation is highly complex. Such systems are preferably entrusted to providers with the necessary expertise and resources, as well as appropriate experience in realizing comparable projects. Given the high complexity related to system implementation and technical changes, switching costs for hospitals are also high.

G3 technology

The development of our products is based on a consistent platform approach, summarized under G3. The objective is to standardize our product development across all segments based on uniform principles, architectures and components. For this purpose, we use state-of-the-art technologies and a uniform design system that facilitates the integrated use of each product for our customers. Where already possible today, we also use international standards for interoperability to facilitate interfaces between our products as well as interfaces to current or foreseeable digital e-health ecosystems.

G3 solutions can be offered as software as a service (SaaS) or in the cloud and are suitable for almost any use from single clinic deployment to regional and national solutions.

Organizational and process-related improvements

“OneGroup” is a project aimed at introducing a uniform centralized IT platform and to thus standardize and optimize roles, structures and workflows across all our companies and business units worldwide. With “OneGroup”, CGM creates a synthesis of collective knowledge, supported by defined standards, and makes it centrally available in the form of IT solutions and standardized processes. CGM uses the possibilities offered by information technology to organize, automate and synchronize business processes in a global system.

“OneGroup” ensures that all functional areas – including development, marketing, sales, support and professional services – serve customers and markets with a unified, customer-centric approach. In the background, finance, human resources and other administrative functions support the managerial staff with standardized services and a transparent set of financial data, enabling effective business management and fact-based decision-making. The fully standardized IT-based organization will help CGM increase operational efficiency, improve profitability, grow faster and further enhance customer satisfaction.

Strategic opportunities

Leading market position in Ambulatory Information Systems

CGM is a provider of ambulatory information systems (AIS) in Germany. The company offers a wide range of software solutions addressing especially physicians and medical professionals, helping them to efficiently manage their practice workflows, document medical data and communicate with other healthcare service providers. CGM has established itself as the leading provider of AIS solutions and supplies a large number of physicians and medical facilities in all types of private medical practices as well as major customers, be it medical care centers owned by hospitals, clinics or registered physicians or by other owners. The company offers healthcare software products that meet the specific needs of private medical practices and medical professionals. The solutions include functions such as patient administration, appointment scheduling, billing, electronic health records and the integration of laboratory data. By continuously enhancing and adjusting its AIS products to meet the needs of the healthcare system, CGM has gained a leading market position. Given the company's market position, the rising demand for digital healthcare solutions, the increasing digitization in the healthcare sector and the need for interoperability offer additional growth opportunities.

CGM is also among the leading AIS providers in Denmark, France, Sweden, Norway, Austria, Italy and the Czech Republic. As in prior years, the company was also able in 2024 to further scale up its market presence in the US, the world's largest healthcare market. Thanks to the size of its AIS business, CGM has direct access to many registered physicians in medical practices. This has a number of significant benefits. CGM's strategically favorable positioning makes it possible to take a lead role in other efficiency-enhancing areas of healthcare.

A good example is the connectivity market, where the value and success of connecting physicians, hospitals and other healthcare participants is closely related to the number of participants. The more members a network has, the more attractive it becomes for potential new members to join and use paid services in the future. CGM's existing base of physicians gives it a key competitive advantage in this market. Long-term service and software maintenance contracts also play an important role in the AIS business and yield the corresponding stable recurring revenues, which form a good basis for financing investments and developing new products and services.

The telematics infrastructure in Germany

With the TI-Messenger, which is to be rolled out in all of Germany in 2025, CGM has developed another value-added application in the field of telematics infrastructure. All players in the healthcare system can use the CGM TI-Messenger to exchange relevant information easily, securely and in real time. This creates numerous opportunities to optimize interactions between healthcare providers, enhance patient safety and improve the quality of care. We expect that this innovation will offer our customers considerable value added and open up new business opportunities for CGM.

At the same time, another significant development step, TI-Gateway, is underway. It is currently in the certification process with gematik and is also to be launched in 2025. TI-Gateway is designed to ensure a smooth transition to Telematics Infrastructure 2.0 (TI 2.0) and provide our customers with an advanced, high-performance TI connection that supports seamless operational workflows.

Additionally, we are actively entering the care market, leveraging our strengths in telematics infrastructure to provide nursing facilities with high-quality and integrated care solutions. Through our close relationship with doctors, we see significant opportunities to foster interdisciplinary collaboration and develop innovative solutions specifically tailored to the needs of the care sector. This expansion opens up new target groups and strengthens our market position in the healthcare sector. Furthermore, we are actively participating in the tender for TI 2.0 published by gematik. This participation opens up a wealth of expansion opportunities, allowing us to further strengthen our technological leadership and continuously offer our customers the most advanced solutions. Another milestone is the introduction of the electronic health record (EHR), which will be available starting January 15, 2025. This development represents a significant advancement and will provide our customers with innovative applications that make their workflows more efficient and effective.

Overall, these developments enable us to continuously provide our customers with innovative and value-enhancing applications, thereby generating additional revenue potential for CGM and further strengthening our market position.

CLICKDOC

With CLICKDOC, CGM offers a platform with a direct patient-doctor communication interface. Physician and patient are in direct contact – whether for appointment requests, online consultations, or accessing medical findings.

CLICKDOC, which supports the entire patient care process as a communication and information platform, has already been integrated into the outpatient information systems in France and Germany since 2021. The customer base has grown steadily, with more than 10,000 healthcare providers now using video consultation, and around 5,000 providers in France and Germany using the online calendar.

Opportunities:

- Further expansion in medical practices in Germany and France – particularly through product adaptations for a potential of 45,000 physiotherapists in France
- CGM ONE Phone Assistant and other services for doctor-patient interaction increase the usage of CLICKDOC products among existing customers and open up new customer segments

Acquisition of CPS Concept

In 2024, CGM acquired CPS Concept, its second large software distributor in France. The acquisition is an important step in strengthening our customer relationships, expanding our service portfolio and establishing CGM as a one-stop shop for all IT needs of medical practices in France.

EBZ – electronic request and approval solution for dentists in Germany

The positive trend driven by the rollout of the EBZ since the third quarter of 2022 has continued in 2024 following strong results in 2023 and is expected to persist in dental practices in the coming years. This has digitalized the application and approval process, eliminating the need for manual submissions, thus saving practices a significant amount of time and reducing costs associated with paper, postage and printing.

Clinical decision support

Clinical decision support can sustainably support healthcare providers in patient dialog, e.g., in the diagnosis of rare diseases, as specific information can be made available depending on the context. Due to a continuously increasing number of medical findings, more and more complex and individual disease patterns and a simultaneous shortage of possibilities for comprehensive medical care, clinical decision support helps to provide relevant medical data at the right time and the right place, true to the vision of the founder of CGM. A modern cloud-based medical product called THERAFOX serves as the basis for improving drug therapy safety. With services such as these, CGM demonstrates added value that can result from the provision of data.

Financial opportunities

Acquisitions are crucial for strengthening existing market positions and entering new markets. CGM has acquired and successfully integrated a large number of companies from a variety of countries and operating segments in the last few years.

With the acquisition of CPS Concept SAS, CGM was able to expand direct access to its customers in the French market, thereby strengthening its distribution network. Additionally, the acquisition of Pridok AS in Norway and AmbulApps GmbH in Germany adds scalable, innovative solutions to CGM's product portfolio.

Targeted acquisitions in the USA are strengthening CGM's position in the US healthcare market. This is completed and enhanced by the successful integration of companies acquired in recent years, such as the Insight Health group and the operations of GHG.

Legislative and political opportunities

Overall political perspective

The demand for IT solutions is universal across all healthcare systems in Western industrial countries as they are facing the same challenges associated with an increasingly elderly population and rising treatment costs. This means that there is a transnational demand for IT solutions for the healthcare industry. Thanks in particular to the company's many years of experience, CGM's business model can be applied to a variety of markets worldwide. CGM is constantly expanding its international presence and currently maintains sites in 19 countries across the world.

The COVID-19 pandemic has shown that digitization in the healthcare industry must be further advanced and that COVID-19 accelerated this development. CGM is available as a partner and has the products and the competence to promote this process in the long term.

German Hospital Future Act (KHZG)

In Germany, the Bundestag passed the German Hospital Future Act (KHZG) in November 2020. This program published by the government will drive digitization in German hospitals over the next few years. Contracts are being awarded since 2021. Implementation of the contracted projects commenced as early as 2021 and will last until the end of 2025.

Electronic health record (EHR)

The introduction of the electronic health record for all (EHR) in Germany offers new opportunities for additional services across all healthcare sectors, including for patients. CGM has already started implementing the EHR by incorporating it into the primary systems. As part of the implementation of the so-called digitalization strategy, lawmakers are continuously expanding the level of digitization in the German healthcare system.

Artificial Intelligence Act (AI Act)

In 2024, the European Council adopted the AI Act. The use of artificial intelligence (AI) in healthcare unlocks significant potential for innovative software solutions that effectively support medical providers in combining and tailoring existing knowledge to individual needs. CGM already introduced modules to the market in 2024 that optimize workflows and sustainably improve treatment quality. This will be further pursued in 2025.

European Health Data Space (EHDS)

The European Health Data Space (EHDS) creates a common platform for the secure exchange and use of health data. EHDS is supposed to make patient data available across Europe: the use of primary data will enable improved and cross-border patient care, while the use of secondary data will drive the development of innovative medical technologies and personalized treatment approaches, enhancing efficiency and quality.

Personnel opportunities

Successful and experienced management team

CGM has a strong international management team whose members have a wealth of experience in the industry. The management team comprises the Managing Directors Prof. (apl.) Dr. med. Daniel Gotthardt (CEO) and the Managing Directors Daniela Hommel (CFO), Dr. Ulrich Thomé (Ambulatory Information Systems DACH), Emanuele Mugnani (Ambulatory Information Systems Europe & Pharmacy Information Systems) and Hannes Reichl (Inpatient and Social Care).

Attractive employer

More than 8,700 employees at CGM are behind our innovations and developments. With these products and services, our employees have a significant impact on the lives of millions of people in Europe, the USA and South Africa. This is something we are aware of, which is why we see it as our obligation to provide a safe and healthy working environment where people can give their very best.

We respect the dignity of each and every individual and actively strive to provide a safe and healthy working environment whose hallmarks are equal treatment and diversity. We oppose all types of discrimination. This means any kind of unequal treatment, rejection or preference based on gender, age, disability, sexual orientation, religion, political stance, nationality or ethnicity, or any other circumstance that could result in a violation of the principle of equality. These principles have been set out in the Code of Ethics, which is binding for all, and in the Declaration on Corporate Governance. These documents are freely available online. A workforce made up of people from various cultures and a balanced age structure are part of the corporate culture we live.

Given the prevailing shortage of IT specialists, it is important to CGM to actively do something against this lack of skilled labor (in addition to external recruiting). Therefore, we are investing sustainably in the training and promotion of junior talent. Moreover, taking into account individual needs and skills, this increases early talent retention and helps strengthen expertise in our industry.

CGM can also look back on a successful financial year 2024 when it comes to junior talent management. In Germany alone, CGM hired 43 new trainees and dual-program students, thus having 187 trainees and dual-program students under contract at the end of the reporting year.

The fact that we were able to take on 76 % of all apprentices in Germany after their graduation in 2024, the majority of them in IT occupations, is also very encouraging.

To ensure our employees can develop greater personal, professional, methodological and, as the company becomes more international, intercultural skills, it is our mission to provide and secure the ideal framework conditions here. One of our most important measures to promote continuous professional development for individuals is the annual performance and development reviews that must be held for all employees in all companies, as stipulated by internal CGM guidelines. This is a dialog between employees and their managers, which is supported digitally. The goal of the dialog is to identify development potential, define goals and identify and initiate appropriate training and qualification.

In addition to the internal courses available, which are offered in particular on our learning platform, CGM also provides further online education and training opportunities for managerial staff, specialists and project managers. These allow the greatest possible flexibility for employees in terms of the training period and location.

CGM takes responsibility as an employer to provide its employees with stability and security. The top priority here is to protect and support our employees. Our occupational health management offering includes traditional sports and exercise programs as well as occupational health and special training programs.

The satisfaction of our employees is crucial for the success of our company as their strong commitment is reflected in the quality of our products and strengthens our reputation with customers. In our CGM Employee Voice program, employees are regularly asked four times a year to provide their opinion highlighting a wide range of factors affecting satisfaction and commitment. Participants can comment on individual aspects, which are analyzed according to several attributes.

A good work-life balance is a crucial basis for satisfaction and performance, benefiting employees and the company alike. CGM has set up a childcare center at the company's headquarters in Koblenz to make work-life balance easier for young families. Children of company employees are given priority. The center is open ten hours a day, which is convenient even for employees on flextime schedules.

Data-related opportunities

Ambulatory information systems made CompuGroup Medical big, but the company has already been in the business of supporting the healthcare sector with further smart, digital solutions and data driven services for many years. Data security and GDPR compliant data processing play a dominant role here. Services like Therafox AMTS pro inform doctors about potential risks when prescribing medications, while the Arznei Aktuell app gives a broader audience access to information about pharmaceuticals and the possibility to check for possible drug interactions. With further specialized tools, we make it easier for physicians to diagnose rare diseases. The subsidiary Insight Health is one of the leading service providers in market and healthcare research as well as data analysis, offering reliable insights into the pharmaceutical market. CGM has excellent connections in all healthcare sectors and intends to develop additional data-driven solutions for all these sectors.

Overall assessment of opportunities (group and CompuGroup Medical SE & Co. KGaA)

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

The group's opportunities have not changed significantly compared to the prior year in the reporting period and continue to be viewed as consistently positive.

4. Internal control and risk management system

4.1. General*

The systematic and responsible management of risks and opportunities is an important part of corporate governance for CGM. The company-wide risk management, compliance and control system is based on the “Three Lines of Defense” model, which describes the overlapping risk structures and responsibilities at different levels.

At the first level (1st Line), activities (including the management of financial and non-financial risks) and the deployment of resources are managed in line with external and internal requirements. Risks are to be prevented or recorded and reduced where they can arise, i.e., at the operational level. Risk owners, i.e., the heads of the business units, the general managers of the CGM subsidiaries and the heads of the group functions, establish processes in accordance with the requirements of the second level (2nd Line) to ensure measures to mitigate risks are identified, evaluated, monitored and developed. Through the management of the business units and group functions, there is a regular exchange with the Managing Directors on planned, actual and expected results in relation to the organization's objectives, as well as on risks.

At the second level (2nd Line), the framework for the design of the internal control system, the risk management system and the compliance management system is set by defining corresponding minimum governance requirements, systems and processes for application at the first level. The specific design of this governance is risk-based and at the discretion of the Managing Directors. The Managing Directors and the Audit Committee of the Supervisory Board receive regular reports on risk management, the financial internal control system and compliance. For further information on governance and the implemented processes of risk management, compliance management and the financial internal control system, please refer to the “Risk and Opportunity Report” and to the corporate governance practices and working methods of the Managing Directors and the Supervisory Board, which are published in the Declaration on Corporate Governance on the company's website at http://www.cgm.com.

At the third level (3rd Line), the group function Internal Audit monitors the correctness, security, appropriateness and effectiveness of the existing governance and implemented processes, internal controls and risk management through independent audits. This is done as part of the risk-based annual audit plan or, in individual cases, as part of event-driven audits during the year. It supports the Managing Directors in the performance of their monitoring function and reports directly and independently to the Managing Directors. Internal Audit's independence ensures that both the planning and execution of its activities are free from hindrance and bias, and that there is unimpeded access to the necessary people, resources and information. The Head of Internal Audit involves the Managing Directors in the distribution of all audit announcements and audit reports. He also provides quarterly summary reports to the Managing Directors, the Administrative Board and the Audit Committee of the Supervisory Board.

* The contents of this section are unaudited but have been read critically by the auditor.

These quarterly reports relate to the completion of all audits and the follow-up of related actions. The Head of Internal Audit submits them in advance and explains them during meetings of the aforementioned bodies. A professional exchange with the appointed auditing firm also supports compliance with auditing guidelines.

The "Three Lines of Defense" model is supplemented with regard to accounting by the activities of the external auditor. With the "Three Lines of Defense" model described above, the Managing Directors have implemented a control framework for CGM aimed at ensuring appropriate and effective internal control and risk management. The measures implemented in this context also address the effectiveness and appropriateness of internal control, compliance and risk management systems and are explained, for example, in the risk and opportunity report within this report. As part of the implementation of the "Three Lines of Defense" model and the legal framework, independent monitoring and audits also take place, in particular through the Internal Audit audits described above and other external audits. In particular, the dynamic development of requirements in the area of non-financial reporting and non-financial risks makes it necessary to review the monitoring systems for this area at regular intervals and adjust them as necessary.

4.2. In relation to accounting (section 289 (4) and section 315 (4) of the German Commercial Code (HGB))

In financial reporting, there is a risk that the annual, consolidated and interim financial statements may contain misstatements that could potentially have a substantial impact on the decisions of their addressees. Our accounting-related internal control system (ICS) aims to identify potential sources of error and limit the resulting risks. It covers financial reporting throughout the entire CGM group. This gives us reasonable assurance that the annual and consolidated financial statements are prepared in accordance with statutory requirements. The main features of the accounting-related internal control system and the risk management system (for the group) are described below.

A clear management and corporate structure has been implemented within the CGM group. Key functions that serve all regions and sectors are managed centrally by CompuGroup Medical SE & Co. KGaA. The operating subsidiaries are granted a high degree of autonomy. The functions of the areas involved in the accounting process – Accounts Payable and Accounts Receivable (AP/AR Services), Financial Reporting, Treasury, Human Resources, IT, Risk Management, Group Controlling, Preparation and Financial Management of the Separate Financial Statements, Consolidated Financial Statements, Procurement and Investor Relations – are clearly separated. Responsibilities are well defined.

The departments involved in the accounting process pursue both the quantitative and qualitative goals of the group.

Accounting is predominantly organized and managed centrally by CompuGroup Medical SE & Co. KGaA. The Shared Service Center at the Koblenz site is responsible for the accounting of the subsidiaries in Germany, Belgium, Denmark, France, Great Britain, Norway, Poland, Romania, Sweden, Switzerland, Spain, South Africa, a holding company in the USA and a branch in Portugal. The subsidiaries in other countries are not incorporated into this central organizational structure but local group companies sometimes take over accounting and other financial functions for their subsidiaries or associated companies. As the ultimate parent entity of the group, CompuGroup Medical SE & Co. KGaA exercises central supervisory and general control functions in the areas of accounting and finance. These include consolidation, accounting for pension provisions, accounting for business combinations, accounting for internally generated software, accounting for leases in accordance with IFRS 16 and goodwill impairment testing as well as the newly adopted reporting in accordance with the so-called EU Taxonomy Regulation (EU) 2020/852. Furthermore, CompuGroup Medical SE & Co. KGaA is responsible for the management, accounting and monitoring of financial instruments, balance sheet management of the subsidiaries, payment transactions, investment and German tax group accounting. External service providers and advisors are consulted whenever required.

Internal policies designed according to the group's requirements have been implemented (including a group-wide accounting policy, risk management policy and a research and development policy). Appropriate safeguards have been installed to protect the financial systems against unauthorized access. The financial systems mainly use standard software.

Uniform planning, reporting, controlling and early warning systems and processes are used in the group to ensure group-wide analysis and management of risk factors relevant to income and risks jeopardizing the continued existence of the company.

Financial reporting in particular is centrally organized and pools the group's (global) information in one place. Group financial reporting is constantly monitored by senior management, the heads of the business units, the general managers of the subsidiaries and ultimately by the Managing Directors.

CGM uses a group-wide uniform reporting system to prepare financial statements, corporate budgets and the guidance. It is used by all consolidated group companies and forms the basis for a standardized data reporting process within the group.

The Managing Directors take the so-called balance sheet oath for the full year and sign the Responsibility Statement, thereby confirming that the prescribed reporting standards have been complied with and that the figures give a true and fair view of the net assets, financial position and results of operations. The financial reporting process is reviewed by Internal Audit.

The required financial reporting-related processes are subject to regulated analytical reviews. The group-wide risk management system is regularly adapted to current developments and reviewed for adequacy in terms of quantity and quality. In order to ensure that (group) financial reporting-related processes comply with standards, the function of the regional Vice President Finance or Team Leader Finance has been implemented throughout the group. They report on all financial and accounting matters to the Senior Vice President Finance, who in turn reports to the CFO of the CGM group. The Chief Financial Officer informs the Managing Directors, the Supervisory Board and the Administrative Board about critical or high-risk issues and advises them on corrective measures, as necessary. Depending on the subject matter, other departments, such as Accounts Payable and Accounts Receivable (AP/AR Services), Financial Reporting, Treasury, Human Resources, IT, Risk Management, Group Controlling, Preparation and Financial Management of the Separate Financial Statements, Consolidated Financial Statements, Procurement and Investor Relations, are involved in the financial reporting process to implement or track activities. Furthermore, complex and significant changes in underlying accounting-related topics (e.g., receivables management, impairment testing, balance sheet analysis for compliance with financial covenants, the viability of further acquisitions and the initial consolidation of subsidiaries) are regularly reviewed. The impact of accounting-related risks is assessed in terms of their influence on financial reporting by means of impact analyses. These analyses are also used to review measures introduced to limit identified risks in order to be able to assess the effectiveness of the measures.

The Supervisory Board established an Audit Committee for key financial reporting and risk management issues, and to monitor and control audit engagement.

The four-eyes principle is applied to all material financial reporting processes.

The accounting-related internal control and risk management system, the main features of which have been described above, ensures that business matters are correctly recorded, prepared and evaluated in the financial statements and included in external reporting. Group Accounting is the central department that monitors all these processes. This in turn is monitored by the CFO and the Audit Committee, which are supported in their monitoring function by the Internal Audit department.

A strict organizational, corporate, control and monitoring structure forms the basis for efficient work processes. The staffing and resources of the accounting-related areas, both in terms of personnel and equipment, are in line with group requirements and ensure effective and accurate work. Legal and corporate directives and guidelines ensure that the financial reporting processes carried out by the accounting-related areas are standardized and appropriate. The clear definition of responsibilities and various control and verification mechanisms ensure correct financial reporting and the reliable handling of potential business risks. The group-wide risk management system, which is in accordance with statutory requirements, serves to identify risks at an early stage, assess them and communicate them appropriately.

4.3. Effectiveness*

Internal Audit continued to report to the Managing Directors in 2024 on the control systems implemented. In this context, any improvement and optimization potential that was identified and the corresponding ongoing projects were presented to the Managing Directors. Finally, Internal Audit provided the Managing Directors with an assessment of the appropriateness and effectiveness of the respective control system, where applicable against the background of recommended improvement options. On the basis of this assessment, as well as on the basis of the review of the non-financial internal control system, the Managing Directors are currently not aware of any indications with regard to significant issues that speak against the adequacy and effectiveness of the system as of December 31, 2024. Due to the multi-layered process landscape and the high rate of change in the catalog of requirements for non-financial information, the non-financial internal controls require constant and timely adaptations in line with the high maturity of the (group) accounting-related internal control system of CGM. Based on the regular review of the financial internal control system, compliance and risk management, as well as reporting by Internal Audit, the Managing Directors are not aware of any indications with regard to significant matters as of December 31, 2024 that would speak against the adequacy and effectiveness of these systems.

* The contents of this section are unaudited but have been read critically by the auditor.

5. Risk reporting in relation to the use of financial instruments

Risks arising from the use of financial instruments

The CGM group is exposed, with respect to credit risks, price change risks and cash flow fluctuation risks on assets, liabilities and planned transactions, primarily to liquidity and credit risks as well as the risk of changes in foreign exchange rates and interest rates. Risks arising from the use of financial instruments are continuously monitored as part of risk management.

Currency and interest rate risks are partially minimized through the use of derivative hedging instruments. Derivative financial instruments are used exclusively for micro hedges of risks arising in the normal course of business. Derivative financial instruments are used exclusively for hedging purposes, never for speculative purposes, and are only concluded with established financial institutions whose risk profile is solid and is reviewed on a daily basis. The effectiveness of the hedging relationship between the underlying transactions and the hedging instrument is verified by using effectiveness tests.

Currency risks result from investments, financing measures and operational activities. CGM currently hedges only intercompany financial loans through derivative financial instruments in order to minimize intercompany currency risks. The hedging relationships used by CGM are presented in the consolidated financial statements as hedge accounting.

Interest rate risks mainly result from the group's financing. Currently, CGM uses derivative financial instruments to hedge long-term bullet loans against negative interest rate developments. These interest rate derivatives are partly designated as cash flow hedges and are contracted in order to fix or cap the amount of interest payments for variable-interest liabilities.

CGM strives to minimize related credit risks. Measures taken by the group to achieve this goal include the establishment of a dunning system. Furthermore, credit risks are avoided by agreeing prepayments for a significant share of the contracts relevant to recurring revenues. The maximum (earnings) risk resulting from financial instruments basically corresponds to the carrying amounts of the respective capitalized financial instruments.

For further detailed information on market risks, credit risks and liquidity risks, please refer to sections G.6 Credit risk, G.7 Currency risk, G.8 Interest rate risk and G.9 Liquidity risk in the notes to the consolidated financial statements.

6. Takeover-related disclosures

Composition of subscribed capital

As at the reporting date, the share capital of CompuGroup Medical SE & Co. KGaA amounts to 53,734,576.00 EUR and is divided into 53,734,576 no-par value registered shares with the securities identification number A28890 (ISIN: DE000A288904). All shares represent the same rights and obligations; these result from the statutory provisions and the company's Articles of Association. The shares have been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since May 4, 2007. They are traded in the XETRA electronic securities trading system. The shares have been listed in the TecDAX since September 23, 2013. From September 23, 2019 to March 20, 2022, the shares were listed in the MDAX. The shares have been listed on the SDAX since March 21, 2022.

Restrictions affecting voting rights or the transfer of shares

The provisions of the German Stock Corporation Act (AktG) may require restrictions on the voting rights of the shares. This primarily means that shareholders, under certain circumstances, can be prohibited from voting and, in accordance with section 71b German Stock Corporation Act (AktG), the company may not exercise the voting rights of its treasury shares.

The “Gotthardt family/Dr. Koop” shareholder group, consisting of the natural persons Frank Gotthardt (Germany), Dr. Brigitte Gotthardt (Germany), Professor Dr. Daniel Gotthardt (Germany) and Dr. Reinhard Koop (Germany) together with the legal persons classed as their related parties, hold a total of 50.01 % of all ordinary shares with voting rights.

Based on two separate pool agreements, one between Frank Gotthardt, GT 1 Vermögensverwaltung GmbH, Dr. Brigitte Gotthardt and Professor Dr. Daniel Gotthardt and the second between GT 1 Vermögensverwaltung GmbH and Dr. Reinhard Koop, 24,312,663 shares, corresponding to a percentage of voting shares of 46.55 %, are attributable to the shareholder group “Gotthardt family/Dr. Koop”. One of the purposes of the two pooling agreements is to ensure that voting rights of the two pools are exercised consistently with regard to the shares of CompuGroup Medical SE & Co. KGaA. Frank Gotthardt, Professor Dr. Daniel Gotthardt and GT 1 Vermögensverwaltung GmbH hold further shares in addition to the shares attributable to the pools.

Shareholdings exceeding 10 % of the voting rights

With the exception of the aforementioned “Gotthardt family/Dr. Koop” shareholder group, the company has not been informed of any other direct or indirect capital investments that would exceed 10 % of voting rights as at the reporting date. The shareholdings of which we have been notified that still exist as at the reporting date are shown in the notes to the annual financial statements of CompuGroup Medical SE & Co. KGaA under the disclosures pursuant to section 160 (1) no. 8 German Stock Corporation Act (AktG).

Shares with special rights conferring powers of control

The company has not issued any shares with special rights conferring powers of control.

Type of voting rights control through employee shareholdings

Employees who hold shares of CompuGroup Medical SE & Co. KGaA, exercise their control rights in the same way as other shareholders in accordance with the statutory provisions and the Articles of Association.

Legal provisions and provisions of the Articles of Association on the appointment and dismissal of managing directors and on amendments to the Articles of Association

In the legal form of a partnership limited by shares (KGaA), the general partner has the legal authority to manage and represent the company. As part of the change of legal form, CompuGroup Medical Management SE, a monistic European stock corporation (Societas Europaea, SE), has joined the company as the sole general partner and has assumed the management and representation of CompuGroup Medical SE & Co. KGaA through its Managing Directors.

The appointment and dismissal of the Managing Directors of CompuGroup Medical Management SE is carried out by the Administrative Board in accordance with article 14 of the Articles of Association of CompuGroup Medical Management SE.

In article 10, the Articles of Association of CompuGroup Medical SE & Co. KGaA provide more detailed provisions on a possible withdrawal of the general partner and the further continuation of CompuGroup Medical SE & Co. KGaA.

Any amendment to the Articles of Association requires a resolution of the Annual General Meeting in accordance with sections 278 (3), 179 German Stock Corporation Act (AktG). The authority to make amendments that only affect the wording has been conferred on the Supervisory Board pursuant to article 14 (6) of the Articles of Association of CompuGroup Medical SE & Co. KGaA. In addition, the Supervisory Board has been authorized by resolutions of the Annual General Meeting to amend article 4 of the Articles of Association of CompuGroup Medical SE & Co. KGaA in accordance with the respective utilization of capital and after expiry of the respective authorization or utilization period.

Resolutions by the Annual General Meeting require a simple majority of votes unless a larger majority is prescribed by law or by the Articles of Association. Under sections 278 (3), 179 (2) German Stock Corporation Act (AktG), amendments to the Articles of Association require a majority of at least three quarters of the share capital represented at the Annual General Meeting when the resolution is adopted, unless the Articles of Association stipulate a different capital majority. Amendments to the Articles of Association are subject to sections 278 (3), 179 to 181 German Stock Corporation Act (AktG) and article 26 (3) of the Articles of Association.

Authorization of the general partner to issue and buy back shares

Authorized capital 2020

The general partner was authorized by a resolution of the Annual General Meeting 2020 to increase the share capital of the company, with the approval of the Supervisory Board, on one or more occasions until May 12, 2025 by up to a total of 26,094,449 EUR by issuing new shares against cash and/or non-cash contributions (Authorized Capital 2020). The general partner was authorized, with the approval of the Supervisory Board, to determine the content of the share rights, the details of the capital increase and the conditions of the share issues, in particular the issue price, from the Authorized Capital 2020.

The aforementioned resolutions regarding Authorized Capital 2020 were cancelled by the Annual General Meeting on May 22, 2024.

Authorized capital 2024-I

The general partner was authorized by a resolution of the Annual General Meeting on May 22, 2024 to increase the share capital of the company, with the approval of the Supervisory Board, on one or more occasions up to and including May 21, 2028 by up to a total of 10,746,915.00 EUR by issuing up to 10,746,915 new no-par value registered shares against cash and/or non-cash contributions (Authorized Capital 2024-I).

The general partner is only authorized to use the Authorized Capital 2024-I up to a maximum amount of 50 % of the share capital at the time the authorization becomes effective or, if this amount is lower, at the time it is exercised. Shares issued under a different authorized capital, or those issued or to be issued to satisfy bonds with conversion or option rights, or obligations under contingent capital, count towards this maximum limit of 50 % of share capital, provided such bonds were issued during the term of this authorization. Such offsetting does not apply in the future, if and to the extent that the corresponding authorization(s), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 50 % of share capital, as specified in sentence 1 of this paragraph.

Shareholders are to be granted the statutory pre-emptive subscription rights for the new shares. Pursuant to section 186 (5) German Stock Corporation Act (AktG), the new shares may also be issued by one or several banks, or by one or several companies active in businesses within the meaning of section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 53b (7) German Banking Act (KWG) with the obligation to offer them to the shareholders (indirect pre-emptive subscription rights).

However, the general partner is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights pursuant to one or several of the following provisions fully or partially on one or several occasions:

- in order to exclude fractional amounts from the shareholders' subscription rights;
- in order to satisfy purchase obligations or purchase rights for the company's shares under or in connection with convertible bonds, bonds with warrants, profit participation certificates and/or profit participation bonds (or a combination of such instruments) issued by the company or one of its associated companies within the meaning of sections 15 et seqq. German Stock Corporation Act (AktG) or in order to grant the holders or creditors of such instruments with an option and/or conversion right and/or obligation subscription rights to new shares as compensation for any dilution to the same extent to which they would be have been entitled after exercising their conversion or option rights or fulfilling their conversion or option obligations;
- in order to satisfy option rights arising from the authorization to be granted as per the resolution of the Annual General Meeting passed on May 22, 2024 under agenda item 12 to grant subscription rights (share options) to the Managing Directors of the general partner and to the company's or its associated companies' managerial staff if the company does not satisfy the share options using a different authorized or contingent capital, treasury shares or cash. To the extent that new shares are to be transferred to the general partner's Managing Directors in this context to satisfy share options, the above authorization applies to the Administrative Board of the general partner;
- in the event of a capital increase against cash contributions in accordance with or pursuant to section 186 (3) sentence 4 German Stock Corporation Act (AktG) provided the issue price of the new shares is not significantly lower than the stock market price of the company's shares already listed and the total pro rata amount attributable to the new shares for which subscription rights are excluded does not exceed 10 % of the share capital at the time of this Authorized Capital 2024-I becoming effective or, if this value is lower, at the time it is exercised. Shares of the company issued or sold with the exclusion of shareholders' pre-emptive subscription rights in accordance with or by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG), or shares issued or to be issued to satisfy bonds with conversion or option rights or obligations count towards this maximum limit of 10 % of share capital, provided such bonds were issued during the term of this authorization under the exclusion of shareholders' pre-emptive subscription rights in accordance with section 186 (3) sentence 4 German Stock Corporation Act (AktG). Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s) to exclude the shareholders' pre-emptive subscription rights by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph;
- in the event of a capital increase against non-cash contributions, in particular for the acquisition of companies, parts of companies or equity interests in companies or other assets, including receivables from the company or its group companies.

The sum total of shares issued under Authorized Capital 2024-I with the exclusion of shareholders' pre-emptive subscription rights may not exceed a pro rata amount of 10 % of the share capital, taking into account other shares of the company issued or sold during the term of this authorization with the exclusion of shareholders' pre-emptive subscription rights, or shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, neither at the time the authorization becomes effective nor, if this amount is lower, at the time it is exercised, provided such bonds were issued during the term of this authorization with exclusion of shareholders' pre-emptive subscription rights (with the exception of issues excluding pre-emptive subscription rights for fractional amounts). Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph. The new shares created on the basis of Authorized Capital 2024-I participate in profits from the start of the financial year in which they were created and in all subsequent financial years; in deviation of the above, the general partner may, provided this is legally admissible, determine with the approval of the Supervisory Board that the new shares participate in profits from the start of the financial year for which a resolution on the appropriation of net profit has not yet been adopted by the Annual General Meeting at the time of the capital increase.

The general partner is further authorized, with the approval of the Supervisory Board, to determine further details of the capital increase and its implementation, in particular the content of the share rights and the conditions of the share issues.

Authorized capital 2024-II

The general partner is authorized, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions up to and including May 21, 2029 by up to a total of 16,120,372.00 EUR by issuing up to 16,120,372 new no-par value registered shares against cash and/or non-cash contributions (Authorized Capital 2024-II).

The general partner is only authorized to use the Authorized Capital 2024-II up to a maximum amount of 50 % of the share capital at the time the authorization becomes effective or, if this amount is lower, at the time it is exercised. Shares issued under a different authorized capital or issued or to be issued to satisfy bonds with conversion or option rights or obligations under contingent capital count towards this maximum limit of 50 % of share capital if such bonds were issued during the term of this authorization. Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 50 % of share capital, as specified in sentence 1 of this paragraph.

Shareholders are to be granted the statutory pre-emptive subscription rights for the new shares. Pursuant to section 186 (5) German Stock Corporation Act (AktG), the new shares may also be issued by one or several banks, or by one or several companies active in businesses within the meaning of section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 53b (7) German Banking Act (KWG) with the obligation to offer them to the shareholders (indirect pre-emptive subscription rights).

However, the general partner is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights pursuant to one or several of the following provisions fully or partially on one or several occasions:

- in order to exclude fractional amounts from the shareholders' subscription rights;
- in order to satisfy purchase obligations or purchase rights for the company's shares under or in connection with convertible bonds, bonds with warrants, profit participation certificates and/or profit participation bonds (or a combination of such instruments) issued by the company or one of its associated companies within the meaning of sections 15 et seqq. German Stock Corporation Act (AktG) or in order to grant the holders or creditors of such instruments with an option and/or conversion right and/or obligation subscription rights to new shares as compensation for any dilution to the same extent to which they would be have been entitled after exercising their conversion or option rights or fulfilling their conversion or option obligations;
- in order to satisfy option rights arising from the authorization to be granted as per the resolution of the Annual General Meeting passed on May 22, 2024 under agenda item 12 to grant subscription rights (share options) to the Managing Directors of the general partner and to the company's or its associated companies' managerial staff if the company does not satisfy the share options using a different authorized or contingent capital, treasury shares or cash. To the extent that new shares are to be transferred to the general partner's Managing Directors in this context to satisfy share options, the above authorization applies to the Administrative Board of the general partner;
- in the event of a capital increase against cash contributions in accordance with or pursuant to section 186 (3) sentence 4 German Stock Corporation Act (AktG) provided the issue price of the new shares is not significantly lower than the stock market price of the company's shares already listed and the total pro rata amount attributable to the new shares for which subscription rights are excluded does not exceed 10 % of the share capital at the time of this Authorized Capital 2024-I becoming effective or, if this value is lower, at the time it is exercised. Shares of the company issued or sold with an exclusion of shareholders' pre-emptive subscription rights in accordance with or by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG) or issued or to be issued to satisfy bonds with conversion or option rights or obligations count towards this maximum limit of 10 % of share capital if such bonds were issued by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG) with an exclusion of shareholders' pre-emptive subscription rights during the term of this authorization. Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s) to exclude the shareholders' pre-emptive subscription rights by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph;

- in the event of a capital increase against non-cash contributions, in particular for the acquisition of companies, parts of companies or equity interests in companies or other assets, including receivables from the company or its group companies.

The sum total of shares issued under Authorized Capital 2024-II with the exclusion of shareholders' pre-emptive subscription rights may not exceed a pro rata amount of 10 % of the share capital, taking into account other shares of the company issued or sold during the term of this authorization with the exclusion of shareholders' pre-emptive subscription rights, or shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, neither at the time the authorization becomes effective nor, if this amount is lower, at the time it is exercised, provided such bonds were issued during the term of this authorization with exclusion of shareholders' pre-emptive subscription rights (with the exception of issues excluding pre-emptive subscription rights for fractional amounts). Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph.

The new shares created on the basis of Authorized Capital 2024-II participate in profits from the start of the financial year in which they were created and in all subsequent financial years; in deviation of the above, the general partner may, provided this is legally admissible, determine with the approval of the Supervisory Board that the new shares participate in profits from the start of the financial year for which a resolution on the appropriation of net profit has not yet been adopted by the Annual General Meeting at the time of the capital increase.

The general partner is further authorized, with the approval of the Supervisory Board, to determine further details of the capital increase and its implementation, in particular the content of the share rights and the conditions of the share issues.

Contingent Capital 2019

Contingent Capital 2019 of CompuGroup Medical SE & Co. KGaA is still equivalent to the previous Contingent Capital 2019 of CompuGroup Medical SE; however, the Management Board has now been replaced by the general partner and it also needs to be taken into account that – unlike the shares of CompuGroup Medical SE previously – the shares of CompuGroup Medical SE & Co. KGaA are now registered shares and not bearer shares. The sole purpose of the Contingent Capital 2019 still is to satisfy share options based on the authorizing resolution of the Annual General Meeting of CompuGroup Medical SE from May 15, 2019 in connection with the resolution on the change of legal form of May 13, 2020.

The share capital is therefore contingently increased by up to 5,321,935.00 EUR by issue of up to 5,321,935 new no-par value registered shares representing pro rata share capital of 1.00 EUR each (Contingent Capital 2019). The sole purpose of the contingent capital increase is to grant subscription rights (share options) to the Managing Directors of CompuGroup Medical Management SE and eligible employees of CompuGroup Medical SE & Co. KGaA, and to executives of its subordinate associated companies and their eligible managers, until May 14, 2024, in accordance with the more detailed provisions of the authorizing resolution of the Annual General Meeting of May 15, 2019 in connection with the resolution on the change of legal form of May 13, 2020. The contingent capital increase will only be implemented to the extent that subscription rights are exercised in accordance with this authorization resolution and the company does not pay the consideration in the form of cash or treasury shares. The new shares participate in profits for all financial years for which a resolution on the appropriation of profits has not been adopted at the time of them being created. The shares granted to eligible Managing Directors of CompuGroup Medical Management SE and eligible employees of CompuGroup Medical SE & Co. KGaA, in addition to eligible executives of their subsidiary associated companies and their eligible employees, from the date of the resolution on Contingent Capital 2019 for the purpose of satisfying subscription rights (share options) from treasury shares of the company (section 71 (1) no. 8 German Stock Corporation Act (AktG)) must be deducted from Contingent Capital 2019. On the basis of the authorizing resolution of the Annual General Meeting of May 10, 2017 in connection with the resolution on the change of legal form of May 13, 2020, the share options can only be issued to Managing Directors of CompuGroup Medical Management SE (group 1) and to senior managers of CompuGroup Medical SE & Co. KGaA, and to executives of its subordinate associated companies and their senior managers, all of whom must belong to the group of Senior Vice Presidents or the group of General Managers (group 2).

The total volume of share options (up to 5,321,935) is divided between the two groups as follows:

- Group 1 members together receive a maximum of 3,547,957 share options and the resulting subscription rights.
- Group 2 members together receive a maximum of 1,773,978 share options and the resulting subscription rights.

Members of both groups do not receive any additional subscription rights for their membership in group 2.

As at December 31, 2024, CompuGroup Medical SE & Co. KGaA had exercised this authorization to grant share options and created share option programs for a total of 1,930,000 share options for members of group 1 and 202,500 share options for members of group 2.

Contingent Capital 2024-I

The share capital is contingently increased by up to 5,373,457.00 EUR by issue of up to 5,373,457 new no-par value registered shares (Contingent Capital 2024-I). The contingent capital increase will only be implemented to the extent that holders or creditors of convertible bonds and/or bonds with warrants or profit participation bonds and/or profit participation certificates or a combination of all of such instruments issued by the company or a subordinate associated company up to May 21, 2028 on the basis of the authorization granted by the Annual General Meeting on May 22, 2024 exercise their conversion or option rights, or fulfil their conversion or option obligations, or tender shares, and to the extent that no other forms of fulfilment are used to satisfy these rights and to the extent that the conversion or option rights or obligations are not satisfied using treasury shares, shares under authorized capital or other means of settlement. The new shares are issued at the conversion or option price to be determined in accordance with the aforementioned authorizing resolution. The new shares participate in profits from the start of the financial year in which they were created by exercising conversion or option rights or by fulfilling conversion or option obligations (financial year of creation); in deviation of the above, the general partner and the Supervisory Board may determine in the conditions of the bonds that the new shares participate in profits from the start of the financial year preceding the financial year of creation if the Annual General Meeting has not yet passed a resolution on the appropriation of net profit for the financial year preceding the financial year of creation at the time the shares are created. The general partner is authorized to determine the further details of contingent capital increases.

Contingent Capital 2024-II

The share capital is contingently increased by up to 2,686,728.00 EUR by issue of up to 2,686,728 new no-par value registered shares (Contingent Capital 2024-II). The sole purpose of the contingent capital increase is to grant subscription rights (share options) to the Managing Directors of CompuGroup Medical Management SE and eligible employees of the company and to executives of its subordinate associated companies and their eligible employees, until May 21, 2029, in accordance with the more detailed provisions of the authorizing resolution of the Annual General Meeting of May 22, 2024, under which the general partner or the Administrative Board of the general partner were authorized to grant such rights. The contingent capital increase will only be implemented to the extent that subscription rights are exercised in accordance with this authorizing resolution and the company does not pay the consideration using authorized capital, a different contingent capital, cash or treasury shares. The new shares participate in profits for all financial years for which a resolution on the appropriation of profits has not been adopted at the time of them being created. The general partner is authorized to determine the further details of the contingent capital increase.

Authorization to acquire and use (including cancellation of) treasury shares

The company is authorized by resolution of the Annual General Meeting of May 19, 2021 to acquire, until May 18, 2024, treasury shares up to a total of 10 % of the share capital existing at the time of the resolution or, if this amount is lower, of the share capital existing at the time this authorization is exercised. Acquired shares together with other treasury shares of the company that are held by the company or are attributable to it in accordance with sections 71d and 71e German Stock Corporation Act (AktG) must not at any time exceed 10 % of the existing share capital at the time the resolution is adopted. The acquisition can also be exercised by group companies dependent on the company within the meaning of section 17 German Stock Corporation Act (AktG) or by third parties for their account or for the account of the company. The authorization may not be used for the purpose of trading in treasury shares. The authorization can be exercised in full or in part, on one or more occasions and in pursuit of one or more objectives by the company or by third parties acting on its behalf.

The general partner is authorized by resolution of the Annual General Meeting of May 22, 2024 to acquire treasury shares for any authorized purpose up to and including May 21, 2029 up to a total of 10 % of the share capital existing at the time of the resolution or, if this amount is lower, of the share capital existing at the time this authorization is exercised. In doing so, the shares acquired under this authorization may, together with any treasury shares the company has already acquired or owns or that are attributable to the company pursuant to section 278 (3) and section 71a et seqq. German Stock Corporation Act (AktG), at no time exceed 10 % of the share capital at such time. The authorization may not be used for the purpose of trading in treasury shares.

At the discretion of the general partner, the acquisition will be implemented (i) on the stock market or (ii) by a public purchase offer to all shareholders or a public invitation to all shareholders to submit offers for sale.

The following price limits apply to the acquisition of treasury shares:

- If the shares are acquired on the stock market, the consideration paid per share (without incidental acquisition costs) may not be more than 10 % higher or 20 % lower than the price determined for the company's shares in the opening auction on the trade date in the XETRA trading system (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange.
- If the shares are acquired by way of a public purchase offer, the purchase price offered and paid by the company per share (without incidental acquisition costs) may not be more than 10 % higher or 20 % lower than the arithmetic mean value of the closing auction prices of shares of the same class in the XETRA trading system (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange on the last three stock market days before the offer is published. If the price changes significantly after the offer is published, the offer may be adjusted; in this case, the relevant reference period is the three stock market days before the adjustment is published.
- If the shares are acquired by way of a public invitation to all shareholders to submit a sales offer, the company determines a price range per share for tenders to be made by such shareholders. The acquisition price offered and paid by the company per share (without incidental acquisition costs) may not be more than 10 % higher or 20 % lower than the arithmetic mean value of the closing auction prices of shares of the same class in the XETRA trading system (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange on the last three stock market days before the invitation to submit a sales offer is published. If the price changes significantly after the invitation to submit a sales offer is published, the invitation may be adjusted; in this case, the relevant reference period is the three stock market days before the adjustment is published.

The general partner determines the further details of the respective acquisition. If, in the case of a public purchase offer, including a public invitation to submit a sales offer, the number of shares tendered for purchase exceeds the total volume intended for acquisition by the company, the shareholders' tender rights may be excluded to the extent that the acquisition is carried out in proportion to the shares tendered by each shareholder. In addition, a preferential acceptance of small lots (up to 100 shares per shareholder) and rounding according to commercial principles to avoid fractional shares may be provided for. Any shareholder tendering rights beyond this scope are excluded.

Use of treasury shares

In addition to selling treasury shares on the stock exchange or by offering them to all shareholders in proportion to their shareholdings, the general partner is authorized to use treasury shares that have been or will be acquired based on this authorization or earlier authorizations, or for other reasons, for all other legally admissible purposes, in particular the following purposes:

- Treasury shares may be canceled without the cancellation or execution requiring a further resolution by the Annual General Meeting. Cancelling the shares generally leads to a reduction in capital. In deviation of the above, the general partner may determine that the share capital shall remain unchanged upon such cancellation and that instead the cancellation shall increase the proportion of the share capital represented by the remaining shares in accordance with section 278 (3) and section 8 (3) German Stock Corporation Act (AktG). In this case, the Supervisory Board shall be authorized to adjust the number of shares specified in the Articles of Association.
- Treasury shares may be sold for cash at a price that is not significantly lower than the stock market price of shares of the company with the same characteristics at the time of sale. The proportional amount of the share capital attributable to the treasury shares used in accordance with the above authorization must not exceed 10 % of the share capital, neither at the time the authorization becomes effective nor, if this amount is lower, at the time it is exercised. Shares of the company issued or sold with an exclusion of shareholders' pre-emptive subscription rights in accordance with or by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG) or issued or to be issued to satisfy bonds with conversion or option rights or obligations count towards this maximum limit of 10 % of share capital if such bonds were issued by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG) with an exclusion of shareholders' pre-emptive subscription rights during the term of this authorization. Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s) to exclude the shareholders' pre-emptive subscription rights by applying section 186 (3) sentence 4 German Stock Corporation Act (AktG), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph.

- Treasury shares may be disposed of in return for contributions in kind, in particular – without being limited thereto – for the acquisition of companies, parts of companies or equity interests in companies or other assets, including receivables from the company or its group companies. In particular, treasury shares can be disposed of as consideration for the transfer to the company or one of its subsidiaries of industrial property rights or third-party intellectual property rights, such as patents or trademarks, to market and develop products of CompuGroup or as consideration for licenses to such rights being granted.
- Treasury shares may be used to fulfil obligations or to guarantee obligations or rights to acquire company shares, in particular under convertible bonds, bonds with warrants, profit participation certificates and/or profit participation bonds (or a combination of such instruments) issued by the company or one of its associated companies within the meaning of sections 15 et seqq. German Stock Corporation Act (AktG).
- Treasury shares may be used in order to satisfy option rights arising from the authorization by the Annual General Meeting of May 22, 2024 to grant subscription rights (share options) to the Managing Directors of the general partner and to the company's or its associated companies' managerial staff if the company does not satisfy the share options using a different authorized or contingent capital, treasury shares or cash. To the extent that treasury shares are to be transferred to the general partner's Managing Directors in this context to satisfy share options, the above authorization applies to the Administrative Board of the general partner.

Exclusion of pre-emptive subscription rights

Shareholders' subscription rights to acquired treasury shares are excluded if these shares are used as per the above authorizations. The general partner is further authorized to exclude the pre-emptive subscription right in order to grant the holders or creditors of conversion or option rights to company shares or the corresponding conversion or option obligations subscription rights as compensation for any dilution to the same extent to which they would be have been entitled after exercising their conversion or option rights or fulfilling their conversion or option obligations. Finally, the general partner may exclude fractional amounts from the shareholders' subscription rights.

The sum total of shares sold with the exclusion of the shareholders' pre-emptive subscription rights and after offsetting the company's other shares issued or sold may not exceed a pro rata amount of 10 % of the share capital, taking into account other shares of the company issued or sold during the term of this authorization with the exclusion of shareholders' pre-emptive subscription rights, or shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, neither at the time the authorization becomes effective nor, if this amount is lower, at the time it is exercised, provided such bonds were issued during the term of this authorization with exclusion of shareholders' pre-emptive subscription rights (with the exception of issues excluding pre-emptive subscription rights for fractional amounts). Such offsetting does not apply in the future if and to the extent that the corresponding authorization(s), which resulted in such shares being offset, was/were granted again by the Annual General Meeting in accordance with the statutory provisions, in each case up to the limit granted by the new authorization and capped at a maximum of 10 % of share capital, as specified in sentence 1 of this paragraph.

All the above authorizations to acquire or to use treasury shares acquired under this authorization or earlier authorizations may be exercised fully or partially, once or on several occasions, individually or jointly by the company or one of its associated companies within the meaning of sections 15 et seqq. German Stock Corporation Act (AktG) or by third parties acting for the company's or its associated companies' account.

At the end of the reporting year, the company held 2,000,000 treasury shares. For more information on the acquisition of treasury shares, we also refer to the disclosures pursuant to section 160 (1) no. 2 of the German Stock Corporation Act (AktG) in the notes to the company's annual financial statements.

Authorization to use derivatives in the context of acquiring treasury shares

The Annual General Meeting on May 22, 2024 passed a resolution authorizing the company to use derivatives when acquiring treasury shares and to conclude the corresponding derivative transactions. The general partner is thus authorized

- to conclude option transactions obliging the company to acquire the company's shares when the option is exercised (put options),
- to acquire options giving the company the right to acquire the company's shares when the option is exercised (call options),
- to conclude forward purchase contracts for company shares providing for more than two stock exchange days between concluding the respective purchase contract and the delivery of the acquired shares (forward purchase contracts),
- to acquire the company's shares by using put options, call options and/or forward purchase contracts.

This authorization may be exercised fully or partially, in one or several transactions, including different transactions or in connection with other admissible transactions not covered by this authorization by the company or one of its associated companies within the meaning of sections 15 et seqq. German Stock Corporation Act (AktG) or by third parties acting for the company's or its associated companies' account.

All the acquisitions of shares involving the use of derivatives are limited to shares amounting to a maximum of 5 % of the share capital existing at the time the Annual General Meeting passed its resolution or, if this amount is lower, the share capital existing at the time this authorization is exercised. The term of the individual derivatives may not exceed 18 months, must end no later than May 21, 2026 and must be such that the acquisition of the company's shares in connection with exercising or fulfilling the derivatives cannot take place after May 21, 2026.

The derivatives may only be concluded with one or several banks or by one or several companies operating within the meaning of section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) German Banking Act (KWG). They must be structured in such a way as to ensure that the derivatives can only be settled with shares that were acquired in compliance with the principle of equal treatment of shareholders. The acquisition or sales price paid or collected by the company may not be significantly higher or lower than the notional market value determined by means of approved actuarial methods that consider, among other values, the agreed exercise price.

The purchase price to be paid per share when put options are exercised or when the forward contract is due may not be more than 10 % higher or 20 % lower than the price determined for the company's shares in the opening auction on the trade date of the transaction's conclusion in the XETRA trading system (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange, excluding incidental acquisition costs but taking into account the value of the option at the time it is exercised or due. Call options may only be exercised if the purchase price to be paid is no more than 10 % higher or 20 % lower than the arithmetic mean value of the closing auction prices of shares of the same class in the XETRA trading system (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange on the last three stock exchange days before the shares are acquired, excluding incidental acquisition market but taking into account the value of the option at the time it is exercised or due.

If treasury shares are acquired involving the use of derivatives in accordance with the above provisions, any rights of shareholders to conclude such derivatives with the company or any tendering rights of the shareholders are excluded.

Significant agreements of the company in the event of a change of control and compensation agreements with the Managing Directors or employees in the event of a takeover bid

A “Change of Control Event” exists if

- CompuGroup Medical Management SE is removed as the general partner of CompuGroup Medical SE & Co. KGaA pursuant to article 10 of the Articles of Association of CompuGroup Medical SE & Co. KGaA in the currently valid version (the “Articles of Association”); or
- an acquirer within the meaning of article 10 (1) of the Articles of Association acquires a controlling influence over CompuGroup Medical Management SE.

If a Managing Director, provided that the employment contract has a remaining term of less than two years at the time of the Change of Control Event, is not made a legally binding offer to extend their employment contract by at least two years from the time of such offer on at least comparable economic terms within six months after the Change of Control Event, or if the acquirer of the control substantially restricts the powers of said Managing Director within a period of six months after the date of the Change of Control Event (each a CoC Termination Event), the Managing Director shall be entitled within two months after the CoC Termination Event to terminate the employment relationship extraordinarily with a notice period of four weeks and to resign from their office as Managing Director with effect as of the expiry of the notice period.

If a Managing Director exercises their special termination right, they will receive a cash compensation in the amount of 150 % of the fixed compensation and short-term variable compensation until the regular termination date of the employment contract, but for a maximum period of two years, whereby the 150 % of the short-term variable compensation is calculated on the basis of the target amount in the event of an assumed 100 % target achievement.

The cash compensation is paid in 24 monthly instalments of the same amount and is credited against any waiting allowance owed. The employment contracts stipulate that, in principle, share options already granted up to the effective date of the special right of termination are not forfeited. Option rights may be exercised after expiry of the qualifying period once the general option conditions have been met.

The contracts do not provide for any severance if a contract is terminated prematurely for good cause for which the respective Managing Director is responsible. Share options that have already been granted are forfeited without replacement or compensation. The contracts do not contain any regulations governing regular termination.

7. Corporate Governance Statement

The combined Declaration on Corporate Governance for the company and the group in accordance with section 289f and section 315d German Commercial Code (HGB) is available on the company website at http://www.cgm.com. It contains the Declaration of Compliance pursuant to section 161 German Stock Corporation Act (AktG) and details of key corporate governance practices and the working methods of the Managing Directors and the Supervisory Board.

The following shareholdings exist as at December 31, 2024 on the basis of the information available to the company:

Supervisory Board of CompuGroup Medical SE & Co. KGaA:

Prof. Dr. Martin Köhrmann:	8,000 shares (approx. 0.01 %)
Reinhard Lyhs:	1,000 shares (approx. 0.00 %)
Stefan Weinmann:	25 shares (approx. 0.00 %)

Administrative Board of CompuGroup Medical Management SE:

Frank Gotthardt:	17,931,565 shares (approx. 33.37 %)
Prof. (apl.) Dr. med. Daniel Gotthardt:	3,580,411 shares (approx. 6.66 %)
Dr. Klaus Esser:	140,000 shares (approx. 0.26 %)
Stefanie Peters:	800 shares (approx. 0.00 %)
Prof. (apl.) Dr. med. Karl Heinz Weiß:	30 shares (approx. 0.00 %)

Managing Directors of CompuGroup Medical Management SE:

Hannes Reichl:	4,000 shares (approx. 0.00 %)
Dr. Eckart Pech:	2,000 shares (approx. 0.00 %)
Daniela Hommel	1,000 shares (approx. 0.00 %)
Emanuele Mugnani:	700 shares (approx. 0.00 %)
Dr. Ulrich Thomé:	296 shares (approx. 0.00 %)

8. Separate non-financial report in accordance with section 315 b HGB

Employees

At the end of financial year 2024, the CGM group had 8,712 employees, including trainees and dual students worldwide, which is a 5.3 % decrease over the prior year (9,199).

Employees	2024	2023
Headcount	8,513	8,965
Apprentices, dual students, etc.	199	234
of which from acquisitions as at the acquisition date	103	181

In Germany, currently the strongest market in terms of revenues, CGM employed a total of 3,760 employees in financial year 2024, which, in relation to the total number of employees in the group, corresponds to a percentage share of 44.2 %.

Corporate social responsibility reporting

CGM's report on non-financial and diversity disclosures (Corporate Social Responsibility “CSR Report”) within the meaning of section 315b of the German Commercial Code (HGB) will be published separately in April 2025 on the company's website at http://www.cgm.com/ir. The CSR report is prepared in accordance with EU Directive 2014/95/EU and the respective regulations under German law.

9. Final declaration on the dependency report

The Managing Directors have submitted the report on relations with associated companies (dependency report) required by section 312 German Stock Corporation Act (AktG) to the Supervisory Board, with the following declaration pursuant to section 312 (3) AktG. "Based on the circumstances known to the Managing Directors at the time when the legal transactions were entered into, our company received appropriate consideration for each legal transaction. The company neither took nor refrained from measures that are subject to reporting requirements as set out in section 312 German Stock Corporation Act (AktG)."

Koblenz, March 4, 2025

CompuGroup Medical SE & Co. KGaA

Represented by the Managing Directors
of CompuGroup Medical Management SE

Prof. (apl.) Dr. med. Daniel Gotthardt

Daniela Hommel

Emanuele Mugnani

Hannes Reichl

Dr. Ulrich Thomé

CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2024

Consolidated statement of financial position

Assets

kEUR	Notes	Dec 31, 2024	Dec 31, 2023
Non-current assets			
Goodwill	E.1	735,855	684,101
Other intangible assets	E.1	619,451	625,756
Property, plant and equipment	E.2	113,799	108,405
Right-of-use assets	E.3	52,976	57,294
Investments in associates and joint ventures (valued at-equity)	E.4	14,534	15,249
Other investments	E.4	608	615
Finance lease receivables	E.8	14,097	14,189
Other financial assets	E.10	2,152	3,333
Derivative financial instruments	E.11	8,307	16,840
Other non-financial assets	E.12	1,705	1,700
Deferred taxes	E.5	7,582	2,632
		1,571,066	**1,530,114**
Current assets			
Inventories	E.6	14,707	18,881
Trade receivables	E.7	166,836	175,464
Finance lease receivables	E.8	8,994	8,538
Contract assets	E.9	31,315	27,089
Other financial assets	E.10	3,920	7,796
Derivative financial instruments	E.11	482	1,161
Other non-financial assets	E.12	32,114	27,831
Income tax receivables	E.5	28,665	37,752
Cash & cash equivalents	E.13	107,328	64,461
		394,361	**368,973**
Assets qualified as held for sale	E.14	239	856
		1,965,666	1,899,943

(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated statement of financial position

Equity and liabilities

kEUR	Notes	Dec 31, 2024	Dec 31, 2023
Equity	**E.15**		
Subscribed capital		53,735	53,735
Treasury shares		- 119,847	- 105,205
Reserves		714,026	719,148
Capital and reserves allocated to the shareholders of the parent company		**647,914**	**667,678**
Non-controlling interests		396	1,594
		648,310	**669,272**
Non-current liabilities			
Provisions for post-employment benefits and other non-current provisions	E.16	36,486	34,940
Liabilities to banks	E.17	794,444	704,168
Contract liabilities	E.21	3,353	4,578
Purchase price liabilities	E.19	20,985	10,210
Lease liabilities	E.18	31,984	36,829
Other financial liabilities	E.23	11	87
Other non-financial liabilities	E.23	25	25
Deferred taxes	E.5	98,819	93,007
		986,107	**883,844**
Current liabilities			
Liabilities to banks	E.17	31,045	6,252
Contract liabilities	E.21	58,561	62,567
Purchase price liabilities	E.19	6,354	3,963
Trade payables	E.20	93,323	93,006
Income tax liabilities	E.5	27,833	48,899
Other provisions	E.22	56,252	77,376
Derivative financial instruments	E.11	0	194
Lease liabilities	E.18	22,470	19,606
Other financial liabilities	E.23	8,010	5,910
Other non-financial liabilities	E.23	27,401	27,541
		331,249	**345,314**
Liabilities related to assets held for sale	E.24	0	1,513
		1,965,666	1,899,943

(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated income statement

kEUR	Notes	2024	2023
Revenues	E.25	1,153,987	1,187,663
Capitalized inhouse services	E.26	31,724	40,139
Other income	E.27	29,501	28,868
Expenses for goods and services purchased	E.28	- 220,568	- 222,747
Personnel expenses	E.29	- 563,715	- 590,414
Net impairment losses on financial and contract assets		- 10,075	- 11,438
Other expenses	E.30	- 202,117	- 202,311
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**218,737**	**229,760**
Depreciation of property, plant and equipment and right-of-use assets	E.31	- 42,968	- 39,835
Earnings before interest, taxes and amortization (EBITA)		**175,769**	**189,925**
Amortization of intangible assets	E.31	- 68,681	- 75,963
thereof from purchase price allocations		- 44,214	- 43,541
Earnings before interest and taxes (EBIT)		**107,088**	**113,962**
Result from companies accounted for using the equity method	E.32	- 797	623
Financial income	E.33	1,980	2,820
Financial expenses	E.33	- 46,378	- 44,169
Net impairment losses on financial*	E.33	0	- 564
Earnings before taxes (EBT)		**61,893**	**72,672**
Income taxes for the period	E.34	- 27,133	- 25,800
Consolidated net income for the period		**34,760**	**46,872**
of which: allocated to shareholders of the parent company		34,600	45,916
of which: allocated to non-controlling interests		160	956
Earnings per share	E.35		
undiluted (EUR)		0.67	0.88
diluted (EUR)		0.66	0.88

* Impairment losses on loans granted.
(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated statement of total comprehensive income

kEUR	Notes	2024	2023
Consolidated net income for the period		**34,760**	**46,872**
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses arising from post-employment benefits		- 1,343	- 1,495
Change in actuarial gains and losses	E.16	- 1,434	- 1,953
Deferred income taxes for the period	E.34	91	458
Items that may be reclassified to profit or loss:			
Cashflow hedges		- 1,900	- 4,791
Changes in equity	E.11	- 2,714	- 6,844
Deferred income taxes for the period	E.34	814	2,053
Currency conversion differences	E.15	16,218	- 10,340
Changes in equity		16,218	- 10,340
Operating income and expense recognized directly in equity (Other comprehensive income)		**12,975**	**- 16,626**
Total comprehensive income		**47,735**	**30,246**
of which: allocated to shareholders of the parent company		47,575	29,290
of which: allocated to non-controlling interests		160	956

(The accompanying notes are an integral part of the consolidated financial statements.)

Changes in consolidated equity

kEUR	Notes	Subscribed capital	Treasury shares	Reserves: Other	Reserves: Cashflow Hedges	Reserves: Currency translation	Equity attributable to shareholders of CompuGroup Medical SE & Co. KGaA	Non-controlling interest	Consolidated equity
Balance as at Dec 31, 2022		**53,735**	**- 105,205**	**714,248**	**7,537**	**2,105**	**672,420**	**1,403**	**673,823**
Consolidated net income for the period		**0**	**0**	**45,916**	**0**	**0**	**45,916**	**956**	**46,872**
Other comprehensive income		**0**	**0**	**- 1,495**	**- 4,791**	**- 10,340**	**- 16,626**	**0**	**- 16,626**
Derivative hedging instruments (effective)	E.15	0	0	0	- 4,791	0	- 4,791	0	- 4,791
Actuarial gains and losses	E.16	0	0	- 1,495	0	0	- 1,495	0	- 1,495
Currency conversion differences	E.15	0	0	0	0	- 10,340	- 10,340	0	- 10,340
Total comprehensive income		**0**	**0**	**44,421**	**- 4,791**	**- 10,340**	**29,290**	**956**	**30,246**
Transactions with shareholders		**0**	**0**	**- 34,021**	**0**	**- 11**	**- 34,032**	**- 765**	**- 34,797**
Dividend distribution	E.15	0	0	- 26,117	0	0	- 26,117	- 211	- 26,328
Stock option program		0	0	- 4,155	0	0	- 4,155	0	- 4,155
Additional purchase of shares from non-controlling interests after control	E.15	0	0	- 3,775	0	0	- 3,775	- 554	- 4,329
Other Changes		0	0	26	0	- 11	15	0	15
Balance as at Dec 31, 2023		**53,735**	**- 105,205**	**724,648**	**2,746**	**- 8,246**	**667,678**	**1,594**	**669,272**
Consolidated net income for the period		**0**	**0**	**34,600**	**0**	**0**	**34,600**	**160**	**34,760**
Other comprehensive income		**0**	**0**	**- 1,343**	**- 1,900**	**16,218**	**12,975**	**0**	**12,975**
Derivative hedging instruments (effective)	E.15	0	0	0	- 1,900	0	- 1,900	0	- 1,900
Actuarial gains and losses	E.16	0	0	- 1,343	0	0	- 1,343	0	- 1,343
Currency conversion differences	E.15	0	0	0	0	16,218	16,218	0	16,218
Total comprehensive income		**0**	**0**	**33,257**	**- 1,900**	**16,218**	**47,575**	**160**	**47,735**
Transactions with shareholders		**0**	**- 14,642**	**- 52,366**	**0**	**- 331**	**- 67,339**	**- 1,358**	**- 68,697**
Dividend distribution	E.15	0	0	- 51,735	0	0	- 51,735	- 279	- 52,014
Stock option program		0	0	729	0	0	729	0	729
Additional purchase of shares from non-controlling interests after control	E.15	0	0	- 1,360	0	0	- 1,360	- 1,079	- 2,439
Buyback of treasury shares		0	- 14,642	0	0	0	- 14,642	0	- 14,642
Other Changes		0	0	0	0	- 331	- 331	0	- 331
Balance as at Dec 31, 2024		53,735	- 119,847	705,539	846	7,641	647,914	396	648,310

(The accompanying notes are an integral part of the consolidated financial statements.)

Consolidated statement of cash flows

kEUR	Notes	2024	2023
Consolidated net income for the period		34,760	46,872
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	E.31	111,649	115,798
Earnings on sale of fixed assets	E.27	- 1,155	- 1,035
Change in provisions and income tax liabilities		- 42,219	33,409
Change in derivative financial instruments		9,003	18,425
Deferred tax income/expense	E.34	- 1,625	- 15,297
Other non-cash earnings/ expenditures		2,425	- 9,552
Gross cash flow before changes in working capital		**112,838**	**188,620**
Change in inventories		4,214	10,582
Change in trade receivables and other receivables		9,452	11,119
Change in income tax receivables		9,039	10,844
Change in other receivables		1,008	- 6,554
Change in trade payables		- 549	- 21,075
Change in contract liabilities		- 8,020	- 14,738
Change in other liabilities		900	730
Operating cash flow		**128,882**	**179,528**
Cash outflow for capital expenditure for intangible assets		- 38,108	- 48,879
Cash inflow from disposals of property, plant and equipment		427	1,325
Cash outflow for capital expenditure in property, plant and equipment		- 24,805	- 18,973
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	C.4	- 43,657	- 34,951
Cash outflow for acquisitions from prior periods		- 3,924	- 15,287
Cash inflow from the disposal of subsidiaries and business units		5,099	0
Cash outflow for capital expenditures for joint ventures and other participations		- 313	- 7,562
Cash flow from investing activities		**- 105,281**	**- 124,327**
Buyback of treasury shares		- 14,642	0
Dividend paid	E.15	- 51,735	- 26,117
Capital paid to non-controlling interests	E.15	- 279	- 211
Acquisition of additional shares from non-controlling interests	E.15	- 2,438	- 4,329
Downpayment of lease liabilities		- 25,977	- 25,819
Cash inflow from borrowing of loans	E.17	115,000	480,000
Cash outflow from the repayment of loans	E.17	- 1,116	- 504,211
Cash flow from financing activities		**18,813**	**- 80,687**
Cash and cash equivalents at the beginning of the period	E.13	64,461	90,517
Change in cash and cash equivalents		**42,414**	**- 25,486**
Changes due to exchange rate fluctuations		453	- 570
Cash and cash equivalents at the end of the period	E.13	**107,328**	**64,461**
Interest paid		32,826	26,711
Interest received		660	841
Income taxes paid		40,506	26,590

(The accompanying notes are an integral part of the consolidated financial statements.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. General disclosures

A.1 Company information

CompuGroup Medical SE & Co. KGaA (hereinafter also referred to as “the company” or “CGM”) is a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) registered in Germany in the commercial register of the Local Court of Koblenz under HRB no. 27430. The domicile of the company is Maria Trost 21, 56070 Koblenz, Germany. The company is the parent company for these consolidated financial statements and prepares the consolidated financial statements for the smallest consolidated group. The company and its subsidiaries are also included in the consolidated financial statements of GT1 Vermögensverwaltung GmbH, which prepares the consolidated financial statements for the largest group of companies.

The purpose of the company and its main activities are divided into the following business units in financial year 2024. These business units also form the basis for segment reporting:

- **Ambulatory Information Systems (AIS):**
  The AIS segment is the largest segment and focuses on developing and selling practice management software for registered physicians and medical care centers. The target customers are primary care providers offering outpatient healthcare services. CGM offers comprehensive end-to-end solutions that cover all essential clinical, administrative and billing functions. This also includes Internet and Intranet solutions for the secure exchange of doctor and patient information. The distribution process is efficient, and the software can usually be implemented within a very short period of time.
  The portfolio also includes data-driven products, software interfaces for information exchange, medical decision support tools, pharmaceutical and therapy databases, solutions for the insurance industry, as well as digital applications and mobile apps. Another key component is the telematics infrastructure, which ensures secure networking of providers and creates the foundation for digitization in healthcare. Additionally, CGM offers security solutions for healthcare providers.

- **Hospital Information Systems (HIS):**
  The HIS segment focuses on developing and selling clinical and administrative solutions for the inpatient healthcare sector, where services are provided in specialized facilities over extended periods of time. The software solutions facilitate patient administration, resource and personnel management, medical-care documentation, billing and controlling. In addition, the segment offers clinical applications to support specialist departments, medical laboratories and radiology networks. CGM pursues an integrated care approach, providing customized software solutions for administration, planning and the provision of care in outpatient and inpatient medical facilities. Customers include acute care hospitals, rehabilitation centers, welfare institutions, hospital networks, as well as medical laboratories and radiologists.

- **Pharmacy Information Systems (PCS):**
  The PCS segment focuses on developing and selling integrated administrative and billing-related software applications for pharmacies. The software supports every aspect of the supply chain for medication from procuring and shipping the medication, managing and controlling inventory efficiently, through to planning and monitoring retail activities. Advanced medication safety functions, decision-making support tools for using generic substitution products and cost optimization strategies guarantee that medication is dispensed safely and cost-efficiently.

For more details on the business units, please refer to section 1.1 Group business model of the management report.

CGM realigned its operating segments as of January 1, 2024, integrating the Consumer & Health Management Information System (CHS) segment, which was previously managed separately, into the existing AIS segment. Due to their comparable business characteristics and models, the AIS DACH, AIS North America, AIS Europe and AIS Insight Health segments were consolidated into a single operating segment, AIS. Thus, the reportable business segments are now AIS, PCS and HIS.

A.2 Basis of reporting and fundamental principles

These consolidated financial statements combine the financial statements of CompuGroup Medical SE & Co. KGaA and those of its subsidiaries (hereinafter also referred to as “the CGM group”). As in the prior year, the CGM group's consolidated financial statements as at December 31, 2024 were prepared in accordance with section 315e of the German Commercial Code (HGB) and in compliance with the International Financial Reporting Standards (IFRS).

All International Financial Reporting Standards (IFRS) – formerly International Accounting Standards (IAS) – as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRS IC) – formerly Standing Interpretations Committee (SIC) – required for the reporting period ending December 31, 2024 as applicable in the EU have been applied. How the individual standards are applied is indicated in the comments on the individual items of the consolidated financial statements.

In addition, the provisions of commercial law pursuant to section 315e German Commercial Code (HGB) have also been observed.

The Managing Directors of CompuGroup Medical Management SE prepared the consolidated financial statements on March 4, 2025 and approved them for publication.

The consolidated income statement and the consolidated statement of financial position adhere to the classification rules set out in IAS 1, whereby the income statement was prepared using the nature of expense method.

The group's accounting policy requires the individual subsidiaries to use the same accounting principles and measurement principles.

In general, the consolidated financial statements are based on cost-based measurement. Unless stated otherwise, assets and liabilities are recognized on the basis of historical cost less necessary impairment (fair value).

The estimates and assumptions used in preparing the IFRS consolidated financial statements affect the measurement of assets (in particular, goodwill and deferred tax assets) and liabilities (provisions and purchase price liabilities) as well as the disclosure of contingent assets and liabilities at the respective reporting dates and the amount of income and expenses in the reporting period. Although these assumptions and estimates have been made to the best of the Managing Directors' knowledge, the actual results may differ from these estimates.

Unless otherwise stated in individual cases, all amounts in the consolidated financial statements are given in thousands of euro (kEUR). Rounding may result in minor deviations in totals and the calculation of percentages in this report.

B. Key accounting principles and measurement methods

B.1 Principles for the preparation of the consolidated financial statements

The consolidated financial statements of CGM were prepared on the basis of historical purchase and manufacturing cost. This does not apply to certain financial instruments that are measured at the remeasured amount or fair value as at the reporting date. Corresponding information can be found in the explanations on the respective accounting principles and measurement methods.

In general, historical purchase and manufacturing costs are based on the fair value of the consideration paid in exchange for the asset.

The fair value is the amount that would be received to sell an asset or paid to transfer a liability between market participants on the measurement date. It is irrelevant whether the amount can be observed on the market directly or is estimated based on the best possible measurement method.

When measuring the fair value of an asset or liability, the group takes into account certain characteristics thereof, such as the condition and location of the asset or any restrictions on the sale or use thereof, provided that the market participants would also take these characteristics into account when determining the purchase price of an asset or the transfer of a liability as at the reporting date. In these consolidated financial statements, the fair value to be used for measurement and/or the disclosure requirements is generally calculated on the basis of the principles described above. This does not apply to:

- share-based payment transactions within the scope of IFRS 2 Share-based Payment;
- leases within the scope of IFRS 16 Leases; and
- measurements similar to but not the same as the fair value. This includes, for example, net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The fair value is not always based on a direct market quote; hence, it is often necessary to calculate it based on various measurement parameters. Depending on the availability of observable parameters and the relevance of these in determining the fair value as a whole, the fair value measurement is assigned to Level 1, 2 or 3.

The differentiation of these Levels is based on the following parameters:

- **Level 1 parameters:** The market value of assets and liabilities is calculated on the basis of quoted and unadjusted prices for these or identical assets and liabilities listed on active markets. Tradability on the principal market or the most advantageous market on the measurement date is key.

- **Level 2 parameters:** The market value of assets and liabilities is calculated using parameters for which either directly or indirectly derived quoted prices are available on an active market. Examples: implied price quotations on non-active markets; observable interest rates and curves; implied volatilities; credit spreads and adjusted Level 1 inputs.
- **Level 3 parameters:** The market value of assets and liabilities is calculated using parameters for which no observable market data is available. Examples: interest rates calculated using models; historical volatilities; financial forecast based on a company's own data and adjusted Level 2 input factors.

CGM records reclassifications to different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

B.2 New and amended standards, applicable to financial year 2024

CompuGroup Medical SE & Co. KGaA has implemented all financial reporting standards adopted by the EU that are to be applied from January 1, 2024. New or amended standards that have been endorsed by the EU and became mandatory on January 1, 2024 are described below:

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments (May 25, 2023)	The amendments to IAS 7 and IFRS 7 concern the disclosure requirements relating to the terms and conditions of supplier finance arrangements and what information must be further disclosed about reverse factoring arrangements.	January 1, 2024
Amendments to IAS 1 Presentation of Financial Statements (January 23, 2020, July 15, 2020 and October 31, 2022)	The amendments for the classification of liabilities as current or non-current only affect the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of assets, liabilities, income or expenses. The IASB has decided to amend IAS 1 with respect to the classification (as current or non-current), presentation and disclosure of liabilities for which an entity's right to defer settlement for at least twelve months is conditional on the entity meeting certain conditions after the reporting period.	January 1, 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (September 22, 2022)	The amendments clarify how a seller-lessee makes subsequent measurements of Sale-and-Leaseback transactions that are accounted for as a sale in accordance with IFRS 15.	January 1, 2024

In all other respects, the same accounting principles and measurement methods as well as consolidation principles have been applied to prepare these consolidated financial statements and determine the prior-year figures as in the consolidated financial statements 2024. The amendments had no material effect on the consolidated financial statements.

B.3 Standards, interpretations and amendments to published standards to be applied at a later date which have already been adopted into European law ("endorsement")

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (August 15, 2023)	The amendments to IAS 21 provide guidance on when a currency is considered not exchangeable, how to set exchange rates and what information is to be disclosed.	January 1, 2025

CGM currently assumes that the adoption of the amendments will not have any significant impact on the consolidated financial statements.

B.4 Standards, interpretations and amendments to published standards to be applied at a later date which have been published by IASB, but not yet adopted into European law

IASB and IFRIC have adopted further standards and interpretations that are not yet mandatory in the EU as at January 1, 2024. The application of these IFRSs and IFRIC is still subject to endorsement by the EU.

Standard (published on)	Content	Effective for financial years beginning on or after (EU)
IFRS 19: Subsidiaries without Public Accountability: Disclosures (May 9, 2024)	IFRS 19 specifies the disclosure requirements for subsidiaries without public accountability that can be applied instead of the disclosure requirements in other IFRS accounting standards.	January 1, 2027
IFRS 18: Presentation and Disclosure in Financial Statements (April 9, 2024)	IFRS 18 contains requirements for the presentation and disclosure of information in financial statements.	January 1, 2027
Amendments to IFRS 9 and IFRS 7: Declaration of contracts referencing nature-dependent electricity (December 18, 2024)	The amendments to IFRS 9 and IFRS 7 support companies in recognizing contracts referencing nature-dependent electricity.	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (May 30, 2024)	The amendments to IFRS 9 and IFRS 7 adjust the requirements for the settlement of financial liabilities by means of electronic payment systems and the guidelines on the classification of financial instruments whose cash flows are subject to variability depending on the occurrence/non-occurrence of an uncertain event. Further, disclosure requirements were adapted relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11 (July 18, 2024)	The amendments as part of the annual improvement process for IFRS accounting standards mainly comprise adjustments to IFRS standards IFRS 1, 7, 9 + 10 and IAS 7.	January 1, 2026

Early application of individual standards is permitted. CGM does not use the early application option. CGM constantly examines the effects of the initial application of these standards and amendments.

It is not currently assumed that the adoption of the aforementioned standards, amendments and interpretations will have any significant impact on the consolidated financial statements.

C. Principles of consolidation

C.1 Date of consolidation

The group's reporting date is December 31, in line with that of the annual financial statements of the parent company and its subsidiaries.

C.2 Consolidated subsidiaries

The consolidated financial statements include the financial statements of the parent company and the companies controlled by the parent company, as at December 31 of each year.

The company achieves control when it:

- obtains power over the investee;
- is exposed to variable returns from its interest; and
- can use its directive power to affect the amount of returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three aforementioned criteria.

In the event that the company does not hold the majority of the voting rights, it still controls the investee if its voting rights give it the practical ability to direct the relevant activities unilaterally. When assessing whether its voting rights are sufficient to give it power, the company considers all facts and circumstances, including:

- the extent of the company's possession of voting rights relative to the extent and proportion of those held by other parties;
- the potential voting rights of the company, other holders of voting rights and other parties;
- rights from other contractual arrangements; and
- any additional facts and circumstances that indicate the investor has, or does not have, the present ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins from the date the company obtains control of the subsidiary and ends when the company no longer has control of the subsidiary. The results of the subsidiaries acquired or sold during the year are recognized in the consolidated income statement or under other comprehensive income from the actual acquisition date or to the actual disposal date.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the parent company and to the non-controlling interests. This applies even if this results in the non-controlling interests having a deficit balance.

If necessary, the annual financial statements of the subsidiaries are adjusted so that their accounting principles and measurement methods match those of the group.

The principles of purchase accounting applied by the CGM group are as follows:

a) Changes in ownership interest held by the group in existing subsidiaries

Changes in the ownership interests in subsidiaries within the CGM group that do not trigger a loss of control over the respective subsidiary are accounted for as equity transactions. The carrying amounts of interests and non-controlling interests held by the CGM group are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognized directly in equity and attributed to shareholders of the parent company.

If the company loses control of a subsidiary, the deconsolidation gains or losses are recognized in profit or loss. A distinction is made between:

- the total fair value of the consideration received and the fair value of the retained interests; and
- the carrying amount of the assets (including any goodwill), the liabilities of the subsidiary and any non-controlling interests.

All amounts reported in other comprehensive income in connection with this subsidiary are accounted for as if the assets were sold, resulting in reclassification to the income statement or a direct transfer to retained earnings.

Any investment that the company retains in the former subsidiary is recognized at its fair value at the date when control is lost. This value represents the cost of the shares, which, depending on the degree of control in subsequent measurement, is measured in accordance with IFRS 9 Financial Instruments: Recognition and Measurement or the regulations for associated companies or joint ventures.

b) Acquisition of subsidiaries

The CGM group accounts for the acquisition of companies and businesses using the acquisition method. Any consideration transferred in a business acquisition is measured at fair value. This is calculated as the total of the fair values, as at the acquisition date, of the assets transferred and the liabilities assumed as well as the equity instruments issued by the group in exchange for obtaining control of the acquiree. Transaction costs associated with the business combination are recognized in profit or loss when incurred.

The identifiable assets acquired and liabilities assumed are measured at fair value with the following exceptions:

- deferred tax assets or deferred tax liabilities as well as assets or liabilities for employee benefits are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits;
- liabilities or equity instruments constituting share-based payment transactions or based on share-based payment transactions by the CGM group are measured in accordance with IFRS 2 Share-based Payment as at the acquisition date; and
- assets (or disposal groups) classified as held for sale are measured in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Goodwill is the residual of the total amount of the consideration transferred, the amount of any non-controlling interests in the acquiree and, if available, the fair value of the equity interest in the acquiree previously held by the acquirer, less the fair value of identifiable assets acquired and liabilities assumed as at the acquisition date. If the measurement of an acquisition of a subsidiary results in negative goodwill, this is recognized immediately as income in profit and loss after a further review of all measurement methods applied.

If there are non-controlling interests that convey ownership interests and ensure the shareholder's right to receive a pro rata share of the net assets of the entity in the event of liquidation, these interests are initially measured either at fair value or in the amount of the corresponding share of the identifiable net assets. This option can be exercised individually for each business combination. If non-controlling shareholders hold other components of interests, they are measured at fair value or by applying the requirements of other applicable standards. Liabilities from put options on non-controlling interests are initially measured at their fair value (anticipated acquisition method). As the initial recognition of these liabilities in equity has not yet been conclusively regulated, the equity share of non-controlling interests is reduced or written off regardless of the transfer of risks and rewards of ownership of the shares concerned. This also applies to a liability resulting from a forward transaction.

If contingent consideration is a component of the consideration transferred for the acquisition of the subsidiary, this is measured at fair value as at the acquisition date. Changes arising in the fair value of the contingent consideration are adjusted retrospectively within the measurement period and offset against goodwill accordingly. Corrections to be made within the measurement period for business combinations are adjustments reflecting additional information on facts and circumstances that existed on the acquisition date but could not yet be conclusively assessed. The measurement period must not exceed one year from the acquisition date.

Changes in the fair value of contingent consideration not measured as an adjustment during the measurement period are accounted for depending on the classification of the contingent consideration. Contingent consideration classified as equity is not remeasured on future reporting dates after initial recognition and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is measured at future reporting dates, if applicable, in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Any resulting gains or losses are recognized in profit or loss (in financial expenses/income if the contract parameters change, e.g., EBITDA, and in other expenses/income if a change results from a contractual amendment between parties).

If a business combination is achieved in stages, the equity interest that the company had previously held in the acquiree is remeasured at fair value as at the acquisition date. The resulting gains or losses are recognized in profit or loss.

Changes in the value of the equity interests held in the acquiree prior to the acquisition date to be recognized in other comprehensive income are reclassified to the income statement when the company obtains control of the acquiree.

If the first-time accounting of a business combination has not yet been completed by the end of a financial year, CGM provides preliminary values. If new information arises within the measurement period regarding circumstances as at the acquisition date, the preliminary amounts used are corrected, or if necessary, additional assets and liabilities are recognized.

The results of the subsidiaries acquired or sold during the year are included in the statement of comprehensive income from the acquisition date or until the loss of control.

If liabilities for outstanding purchase price payments were recognized in the context of a business acquisition, their subsequent measurement through profit or loss depends on the reason for the remeasurement. Changes due to negotiations are reported in the operating result; changes due to contractual adjustments are reported in the financial result.

c) Goodwill

Goodwill resulting from a business combination is initially recognized at cost which is measured as the difference between the consideration transferred and the identifiable assets and assumed liabilities. Goodwill is subsequently measured at cost less cumulative impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units, or groups of cash-generating units within the group that are expected to benefit from the synergies of the combination.

Cash-generating units (CGUs), to which part of goodwill has been allocated, are tested for impairment at least annually (IAS 36). If there are specific indications that a CGU is impaired, it is tested for impairment more frequently at such time. If the recoverable amount of a cash-generating unit is less than its carrying amount, the resulting impairment loss is initially allocated to the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognized directly in the income statement. Impairment losses recognized on goodwill cannot be reversed in future periods.

In the event of the disposal of a cash-generating unit, the goodwill attributable to it is taken into account when calculating the gain or loss on disposal.

C.3 Associated companies and joint ventures

The CGM group accounts for associated companies using the equity method. An associated company is an entity over which the group is able to exercise significant influence through participation in its financial and operating policy decisions but not control. Significant influence is presumed when the group holds 20 % or more of the voting rights.

Joint ventures are based on a joint arrangement in which the parties exercising joint control over the arrangement hold rights to the net assets of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

An investment in an associated company or joint venture is accounted for using the equity method from the date on which the requirements for an associated company or joint venture are fulfilled. Any surplus of the share acquisition cost in excess of the pro rata fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Goodwill arising on the acquisition of an associated company or a jointly controlled entity is included in the amortized carrying amounts of the associated companies or jointly controlled entities and is not tested separately for impairment.

The provisions of IAS 28 are applied to determine any indications requiring impairment on investments in associated companies or joint ventures. If an impairment test is to be carried out, the carrying amount of the interest (including goodwill) is tested for recoverability in accordance with IAS 36 by comparing the recoverable amount of the investment to its carrying amount. Any resulting impairment loss is offset against the carrying amount. Impairment losses are not allocated to assets, including goodwill, contained in the carrying amount of the interest. If the recoverable amount rises in subsequent years, impairment losses are reversed in accordance with IAS 36.

The CGM group no longer uses the equity method from the date when its investment ceases to be an associated company or joint venture, or the investment can be classified as held for sale in accordance with IFRS 5. If the CGM group retains an interest in the former associated company or joint venture and this interest is a financial asset as defined by IFRS 9, this interest is measured at fair value upon initial recognition. The difference between the prior carrying amount of the associated company or the joint venture at the date the equity method ceased to be applied and the fair value of any retained investment and any proceeds from disposing of the interest in an associated company or joint venture is included in the calculation of the gain or loss on disposal.

Furthermore, the CGM group accounts for all amounts related to disposed associated companies or joint ventures previously recognized in other comprehensive income in the manner that would be required if the associated company or joint venture had sold the assets or liabilities directly. This means the CGM group reclassifies gains or losses, which the associated company or joint venture to date has recognized in other comprehensive income and then reclassified in the income statement when the assets or liabilities are sold, from equity to the income statement following the discontinuation of the equity method. In the event of the disposal of an associated company or jointly controlled entity, the attributable amount of goodwill is taken into account in determining the deconsolidation result.

If an investment changes from being an associated company to becoming a joint venture, or vice versa, the group continues to apply the equity method and does not remeasure its fair value on account of the change in investment category.

If the group's ownership interest in an associated company or a joint venture changes but the group continues to apply the equity method, the portion of the gain or loss attributable to the change in the ownership interest, which was previously recognized in other comprehensive income, is reclassified to profit or loss if this gain or loss would have to be reclassified to profit or loss upon disposal of the assets and liabilities in question.

For transactions between a CGM group company and an associated company or joint venture of the CGM group, gains and losses are eliminated to the extent of the group's portion of the corresponding associated company or joint venture.

Within the CGM group, seven associated companies and three joint ventures are accounted for using the equity method. Where necessary, the accounting principles and measurement methods for associated companies were changed to guarantee uniform accounting policies throughout the group.

C.4 Scope of consolidation

All financial statements of the CGM group that are included are prepared in accordance with uniform accounting policies. The consolidated financial statements are prepared at the level of CompuGroup Medical SE & Co. KGaA, Koblenz (parent company).

a) Changes to the consolidation group

In addition to CompuGroup Medical SE & Co. KGaA, the consolidated financial statements included 88 (prior year: 97) fully consolidated companies in 2024:

	Germany	Foreign countries	Total
As at January 1, 2024	28	69	97
Additions	3	2	5
Disposals / Merger	3	11	14
As at December 31, 2024	28	60	88

The additions refer to the acquisitions of AmbulApps GmbH, the acquisitions of a non-operating entity and the foundation of a new company in Germany, and the acquisitions of Pridok AS in Norway and CPS Concept SAS in France carried out by the CGM group in financial year 2024.

The disposals from the consolidation group refer, among others, to the liquidations of Titanium Dental BV in Belgium and of Intermedix SA (PTY) LTD in South Africa and the sale of CompuGroup Medical Bilgi Sistemleri A.Ş. in Turkey. In addition, the group carried out the following intra-group mergers:

Merged entity	Receiving entity
CGM XDENT Software S.r.l., Italy	CompuGroup Medical Italia SpA, Italy
Medicitalia S.r.l., Italy	CompuGroup Medical Italia SpA, Italy
GHG Services GmbH, Germany	ifap Service Institut für Ärzte und Apotheker GmbH, Germany
La-Well Systems GmbH, Germany	CompuGroup Medical Deutschland AG, Germany
AmbulApps GmbH, Germany	CompuGroup Medical Deutschland AG, Germany
UCF Holding S.a.r.l., Luxembourg	CGM Mobile Services GmbH, Germany
INNOMED Gesellschaft für medizinische Softwareanwendungen GmbH, Austria	CGM Arztsysteme Österreich GmbH, Austria
Compufit BVBA, Belgium	CompuGroup Medical Belgium BVBA, Belgium
Barista Software BVBA, Belgium	CompuGroup Medical Belgium BVBA, Belgium
ATX Advanced Technology Explained NV, Belgium	CompuGroup Medical Belgium BVBA, Belgium
ADD-LIB SAS, France	Aatlantide SAS, France

Together with the acquisition of businesses without company shares, the Additions from company acquisitions are shown in the table below at the values as at the acquisition date and their effects on the consolidated financial statements.

b) Company acquisitions and disposals

The following table lists the business combinations that the CGM group carried out in financial year 2024 using the values as at the acquisition date and the effects on the consolidated financial statements:

kEUR	Total	AmbulApps GmbH	Pridok AS*	CPS Concept SAS	Other additions
Acquisition date		Jun 17, 2024	Jun 25, 2024	Aug 31, 2024	
Shares acquired		100 %	100 %	100%	
Assets acquired and liabilities assumed that were recognized as at the acquisition date					
Non-current assets	**18,136**	**2,070**	**10,152**	**1,246**	**4,668**
Standard and special software	6,206	1,657	4,246	0	303
Customer relationships	11,708	327	5,819	1,197	4,365
Trademark rights	84	84	0	0	0
Property and buildings	26	0	6	20	0
Other equipment, plant and office equipment	101	1	79	21	0
Other non-current financial assets	9	1	0	8	0
Deferred tax assets	2	0	2	0	0
Current assets	**3,286**	**76**	**2,833**	**377**	**0**
Inventories	29	0	0	29	0
Trade receivables	2,542	52	2,462	28	0
Other current financial assets	13	0	13	0	0
Other current non-financial assets	35	7	28	0	0
Income tax receivables	35	0	30	5	0
Cash and cash equivalents	632	17	300	315	0
Non-current liabilities	**2,774**	**621**	**1,854**	**299**	**0**
Deferred tax liabilities	2,774	621	1,854	299	0
Current liabilities	**3,810**	**801**	**2,757**	**252**	**0**
Contract liabilities	2,158	207	1,774	177	0
Trade payables	296	32	255	9	0
Loans from group companies	548	548	0	0	0
Other provisions	58	1	15	42	0
Other financial liabilities	24	0	0	24	0
Other non-financial liabilities	726	13	713	0	0
Net assets acquired	14,838	**724**	**8,374**	**1,072**	**4,668**
Purchase price paid in cash	44,732	3,980	33,909	1,788	5,055
Liabilities assumed (-receivable for purchase price reimbursement)	12,828	904	11,278	0	646
of which contingent consideration	11,132	904	9,582	0	646
Total consideration transferred	57,560	**4,884**	**45,187**	**1,788**	**5,701**
Currency-related effects	-1,199	0	-1,274	0	75
Goodwill	41,523	**4,160**	**35,539**	**716**	**1,108**
Acquired cash and cash equivalents	632	17	300	315	0
Purchase price paid in cash	43,466	3,980	33,909	1,788	3,789
Prepayments on acquisitions	830	0	0	0	830

kEUR	Total	AmbulApps GmbH	Pridok AS*	CPS Concept SAS	Other additions
Payments for acquisitions from prior periods	3,924	0	0	0	3,924
Cash outflow for acquisitions (net)	**-47,588**	**-3,963**	**-33,609**	**-1,473**	**-8,543**
Effects of the acquisition on CGM's results					
Revenues included in the consolidated statement of comprehensive income since acquisition date	5,033	280	2,734	403	1,616
Result included in the consolidated statement of comprehensive income since acquisition date	1,346	51	660	103	532
Revenues for the financial year (notional acquisition date January 1)	14,584	720	5,517	1,364	6,983
Result for the financial year (notional acquisition date January 1)	3,636	130	1,332	349	1,825

*Transaction costs of 179 kEUR were recorded in connection with the acquisition of Pridok AS; the remaining transaction costs incurred for the other acquisitions are not material.

Acquisition of AmbulApps GmbH, Germany

Effective June 17, 2024, CompuGroup Medical Deutschland AG, a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 100% of the shares in AmbulApps GmbH, based in Neuss, Germany (hereinafter referred to as AmbulApps).

AmbulApps provides solutions for digital patient information, medical history taking in the waiting room, home visits, the creation of treatment plans and the documentation of medical procedures.

AmbulApps was first consolidated as at June 30, 2024. The fixed component of the purchase price amounted to 3,980 kEUR and has been paid in full as at the reporting date. Additionally, variable purchase price components have been agreed upon, the amount of which depends on the number of newly acquired customers at the end of each year from 2026 to 2028. There is both a minimum threshold that must be met and an upper limit for the customer count when calculating the variable purchase price components. A maximum of 1,500 kEUR in variable purchase price payments is possible, with total expected payments amounting to 1,140 kEUR, due between 2027 and 2029. If the minimum required number of new customers is not achieved, the variable purchase price payments will be forfeited.

The current assessment reveals preliminary goodwill of 4,160 kEUR, which is mainly attributable to the expansion of the distribution network as well as to the expertise of the employees. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to 2,068 kEUR and relates to software, customer relationships and trademark rights. Given the expected terms of the receivables and the best estimate for the inflow of contractual cash flows, the fair value of receivables acquired as part of the acquisition equals the carrying amount taken over on the acquisition date. An initial analysis of the financial information available identified no uncollectable receivables.

Deferred tax liabilities of 621 kEUR 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 AmbulApps acquisition was performed provisionally as the measurement of the acquired customer relationships, software and trademark rights is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

Acquisition of Pridok AS, Norway

Effective as at June 25, 2024, Profdoc AS, a wholly owned subsidiary of CompuGroup Medical SE & Co. KGaA, acquired 100 % of the shares in Pridok AS domiciled in Tønsberg, Norway (hereinafter referred to as Pridok).

Pridok develops and sells the “Pridok EPJ” outpatient information system for Norway, which is fully web-based and very user-friendly.

Pridok was first consolidated as at June 30, 2024. The fixed component of the purchase price amounts to 35,664 kEUR, and amount of 33,909 kEUR had been paid out on the reporting date. In addition, the transaction provides for three earn-out agreements that are based, first, on a defined and fixed adjusted cash EBITDA for 2024-2026 and, second, migration of the Norwegian CGM customers to the Pridok platform until the end of 2028 and, third, on market entry in additional countries by the end of 2028. All in all, the earn out amounts could total up to 15,685 kEUR. Payments of approximately 10,047 kEUR are expected to fall due between 2025 and 2029, although variable purchase price payments might also be forfeited if the conditions are not met.

The current assessment reports preliminary goodwill of 35,539 kEUR, which is mainly attributable to the expansion of the distribution network as well as to the expertise of the employees. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to 10,065 kEUR and relates to customer relationships and software. Given the expected terms of the receivables and the best estimate for the inflow of contractual cash flows, the fair value of receivables acquired as part of the acquisition equals the carrying amount taken over on the acquisition date. An initial analysis of the financial information available identified no uncollectable receivables.

Deferred tax liabilities of 1,854 kEUR 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 Pridok acquisition was performed provisionally as the measurement of the acquired customer relationships, software and trademark rights is to be regarded as not yet complete since some information has not been fully received or evaluated to date.

CPS Concept SAS, France

Effective as at August 31, 2024, CompuGroup Medical Solutions SAS, a wholly owned subsidiary of CGM Mobile Services GmbH, acquired 100 % of the shares in CPS Concept SAS domiciled in Fleville-Devant-Nancy, France (hereinafter referred to as CPS).

CPS is the regional market leader specializing in medical informatics, offering services ranging from on-site installation to daily support for medical practices.

CPS was first consolidated as at September 30, 2024. The fixed purchase price amounted to 1,788 kEUR and has been paid in full as at the reporting date. Additional variable purchase price components were not agreed.

The current assessment reports preliminary goodwill of 716 kEUR, which is mainly attributable to the expertise of the employees. Recognized goodwill is not deductible for income tax purposes.

The preliminary fair value of acquired intangible assets not including goodwill amounts to 1,197 kEUR and relates to customer relationships. Given the expected terms of the receivables and the best estimate for the inflow of contractual cash flows, the fair value of receivables acquired as part of the acquisition equals the carrying amount taken over on the acquisition date. An initial analysis of the financial information available identified no uncollectable receivables.

Deferred tax liabilities of 299 kEUR 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 CPS company 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.

Other additions

The remaining additions include the following business combination and purchase price payments for acquisitions in the current and prior financial years:

Business combination	Acquisition date	Shares acquired	Description of how control was achieved	Reasons for the business combination
MARITEC	Nov 14, 2024	n.a.	Asset Deal	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
team2work GmbH	Oct 01, 2024	n.a.	Asset Deal	Improvement of professional services in the AIS business segment
GeMaMed GmbH	Jul 31, 2024	n.a.	Asset Deal	Improvement of professional services in the AIS business segment
Manhattan Billing and Collections	Jul 12, 2024	n.a.	Asset Deal	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
CGM Development HUB GmbH	Jul 11, 2024	100 %		Shelf company
Proactive Billing and Management Solutions	Jan 01, 2024	n.a.	Asset Deal	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
Medical Services Associates	Jan 01, 2024	n.a.	Asset Deal	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
GHG Business	Jan 2, 2023	n/a	Purchase price payment of 418 kEUR in 2024 resulting from the acquisition of the business in 2023	Extension of the portfolio in data business for AIS business segment
Pre-Billing Consultants, Inc.	Aug 24, 2022	n/a	Purchase price payments of 498 kEUR in 2024 resulting from the acquisition of the business operations in 2022.	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
curacom Praxistechnik	Jan 1, 2022	n/a	Purchase price payment of 60 kEUR in 2024 resulting from the asset deal in 2022	Extension of the customer platform in the AIS business segment in Germany and expansion of market reach
Meta-it GmbH	Jun 1, 2021	100 %	Purchase price payment of 375 kEUR in 2024 resulting from the acquisition of 100 % of the shares in 2021	Extension of the customer platform in the HIS business segment in Germany and establishment of a strong sales and service structure
Schuyler House Inc.	Dec 31, 2020	100 %	Purchase price payment of 350 kEUR in 2024 resulting from the acquisition of 100 % of the shares in 2020	Extension of the customer platform in the AIS business segment in the USA and expansion of market reach
Innomed Gesellschaft für medizinische Softwareanwendungen GmbH	Nov 20, 2009	100 %	Purchase price payment in 2024 for the 2023 profit share in the amount of 223 kEUR, which resulted from the exercise of the non-controlling shareholder's put option for the outstanding 9.9% of shares in Innomed Gesellschaft für medizinische Softwareanwendungen GmbH in 2023.	Extension of the customer platform in the AIS business segment in Austria and establishment of a strong sales and service structure

Change in purchase price allocation

Purchase price allocation for the acquisition of the m.Doc group in Germany and Switzerland in 2023 was completed in 2024. This resulted in the following changes to purchase price allocation:

m.Doc Group in kEUR	Before change of purchase price allocation	Change of purchase price allocation	After change of purchase price allocation
Non-current assets	1,335	0	1,335
Current assets	888	0	888
Non-current liabilities	343	0	343
Current liabilities	13,649	1,414	15,063
Net equity acquired	-11,769	-1,414	-13,183
Total consideration transferred	10,090	0	10,090
Non-controlling interests	5	0	5
Goodwill	21,864	1,414	23,278

c) Subsidiaries included in the scope of consolidation

	Company name	Participation held by	Registered Office	Equity voting rights in %
Fully consolidated participations				
	Participations in the region Germany			
1	Aescudata GmbH (formerly: AESCU DATA Gesellschaft für Datenverarbeitung mbH)		Hamburg	100
2	CompuGroup Medical Deutschland AG		Koblenz	100
3	CompuGroup Medical Dentalsysteme GmbH	16	Koblenz	100
4	docmetric GmbH	5	Koblenz	100
5	ifap Service Institut für Ärzte und Apotheker GmbH		Martinsried	100
6	Intermedix Deutschland GmbH	3	Koblenz	100
7	IS Informatik Systeme Gesellschaft für Informationstechnik mbH	8	Koblenz	100
8	LAUER-FISCHER GmbH	2	Fürth	100
9	CGM IT Solutions und Services GmbH	2	Koblenz	100
10	CGM Clinical Deutschland GmbH		Koblenz	100
11	CGM Systemhaus GmbH	2	Koblenz	100
12	CGM Mobile Software GmbH	2	Koblenz	100
13	Meditec Marketingservices im Gesundheitswesen GmbH	2	Koblenz	100
14	KoCo Connector GmbH		Berlin	100
15	CompuGroup Medical Mobile GmbH	5	Koblenz	100
16	CGM LAB International GmbH		Koblenz	100
17	CGM LAB Deutschland GmbH	16	Koblenz	100
18	CGM Mobile Services GmbH	2	Koblenz	100
19	LAUER-FISCHER ApothekenService GmbH		Koblenz	100
20	CompuGroup Medical Software GmbH	2	Koblenz	100
21	factis GmbH	10	Freiburg im Breisgau	100
22	CGM Clinical Europe GmbH	30	Koblenz	100
23	KMS Vertrieb und Services GmbH	10	Unterhaching	100
24	VISUS Health IT GmbH	10	Bochum	100
25	INSIGHT Health GmbH	2	Waldems-Esch	100
26	m.Doc GmbH	2	Köln	100
27	CGM Development HUB GmbH	67	Berlin	100
28	CG Software 2 GmbH	20	Koblenz	100
	Participations in the region Western Europe			
29	Aescudata GmbH (formerly: AESCU DATA Gesellschaft für Datenverarbeitung mbH AT)	1	Steyr/Austria	100
30	CompuGroup Medical CEE GmbH		Vienna/Austria	100
31	CGM Arztsysteme Österreich GmbH	30	Wiener Neudorf/Austria	100
32	HCS Health Communication Service Gesellschaft m.b.H.	30	Steyr/Austria	100
33	Intermedix Österreich GmbH	30	Wiener Neudorf/Austria	100
34	CGM Clinical Österreich GmbH	30	Steyr/Austria	100
35	VISUS IT Solutions AG	24	Zürich/ Switzerland	100
36	CompuGroup Medical Schweiz AG	30	Bern/Switzerland	100

Company name		Participation held by	Registered Office	Equity voting rights in %
37	m.Doc AG *	26	Zug/ Switzerland	100
38	CompuGroup Medical Norway AS	39	Lysaker/Norway	100
39	Profdoc AS		Lysaker/Norway	100
40	Pridok AS	39	Tønsberg/Norway	100
41	CompuGroup Medical Sweden AB	39	Solna/Sweden	100
42	Lorensbergs Communication AB	43	Gothenburg/Sweden	100
43	Lorensbergs Holding AB	39	Gothenburg/Sweden	100
44	CompuGroup Medical LAB AB	41	Borlänge/Sweden	100
45	CompuGroup Medical Denmark A/S	39	Aarhus/Denmark	100
46	CompuGroup Medical Belgium BVBA	b)	Wetteren/Belgium	100
47	CompuGroup Medical Holding Cooperatief U.A.	c)	Echt/Netherlands	100
48	CompuGroup Medical Nederland B.V.	47	Echt/Netherlands	100
49	Qualizorg B.V.	47	Deventer/Netherlands	100
50	Portavita B.V.	47	Amsterdam/Netherlands	100
51	MGRID B.V.	47	Amsterdam/Netherlands	100
52	CGM LAB Belgium SA	d)	Barchon/Belgium	100
53	CompuGroup Medical UK Limited		London/United Kingdom	100
54	EPSILOG SAS	55	Castries/France	100
55	MB INVEST SAS		Castries/France	100
56	CompuGroup Medical Solutions SAS	18	Montpellier/ France	100
57	Intermedix France SAS	18	Nanterre/France	100
58	CompuGroup Medical France SAS		Nanterre/France	100
59	Imagine Editions SAS		Soulac sur mer/France	100
60	CGM LAB France SAS	16	Nanterre/France	100
61	Aatlantide SAS	58	Meylan/ France	100
62	DMP Informatique SAS	56	Artigues-près-Bordeaux/France	100
63	IPRO Informatique SAS	62	Artigues-près-Bordeaux/France	100
64	CPS Concept SAS	56	Fleville-Devant-Nancy/France	100
65	CompuGroup Medical Italia SpA		Molfetta/Italy	100
66	CompuGroup Medical Italia Holding S.r.l.		Milan/Italy	100
67	Studiofarma S.r.l.	66	Milan/Italy	100
68	Pharmaone S.r.l.	66	Novara/Italy	100
69	Farloyalty s.r.l.	67	Milan/Italy	51
70	Smoove Software S.r.l.	68	Milan/Italy	53
71	Fablab S.r.l.	65	Milan/Italy	100
72	CGM Telemedicine S.r.l (formerly: H&S Qualità nel Software S.p.A.)	66	Milan/Italy	100
73	4K S.r.l.	66	Milan/Italy	100
74	4K Services Belgium S.a.r.l.	73	Bruxelles/Belgium	100
75	CGM Clinical España, S.L.	30	Madrid/Spain	100
76	Medigest Consultores S.L.		Madrid/Spain	100
	Participations in the region Eastern Europe			
77	CompuGroup Medical Polska Sp. z o.o.		Lublin/Poland	100

	Company name	Participation held by	Registered Office	Equity voting rights in %
78	CompuGroup Medical Česká republika s.r.o.	a)	Prague/Czech Republic	100
79	Intermedix Česká republika s.r.o.	78	Prague/Czech Republic	100
80	CGM Software RO SRL	g)	Iasi/Romania	100
81	CompuGroup Medical Slovensko s.r.o.	78	Bratislava/Slovakia	100
	Participations in the region North America			
82	CompuGroup Holding USA, Inc.		Delaware/USA	100
83	CompuGroup Medical, Inc.	82	Delaware/USA	100
84	MDeverywhere Midco Inc.	82	Austin/USA	100
85	eMDs Holding Inc.	84	Austin/USA	100
86	eMDs Inc.	85	Austin/USA	100
	Participations in the region Rest of the World			
87	CompuGroup Medical South Africa (Pty) Ltd.	f)	Cape Town/South Africa	100
88	MDeverywhere India Pvt. Ltd	i)	Noida/India	100
Participations that are accounted for using the equity method				
	Joint Ventures			
89	MGS Meine Gesundheit-Services-GmbH	15	Koblenz	50
90	Mediaface GmbH		Reinbek	49
91	Secure Farma DB S.r.l.	67	Milan/Italy	60
	Associated companies			
92	AxiService Nice S.a.r.l.	18	Nice/France	28
93	Technosante Nord-Picardie SAS	18	Lille/France	20
94	R56+ Regionalmarketing GmbH & Co. KGaA	h)	Koblenz	19
95	R56+ Management GmbH		Koblenz	20
96	MedEcon Telemedizin GmbH	24	Bochum	25
97	Better@Home Service GmbH	5	Berlin	25
98	New Line Ricerche di Mercato Società Benefit S.p.A.	66	Milan/Italy	40
Participations accounted at fair value				
	Other participations			
99	AES Ärzteservice Schwaben GmbH	2	Neckarsulm	10
100	ic med EDV-Systemlösungen für die Medizin GmbH	2	Halle	10
101	Savoie Micro S.a.r.l.	18	Meythet/France	10
102	Technosante Toulouse S.A.S.	18	Toulouse/France	10
103	Daisy-NET S.c.a r.l.	65	Bari/Italy	1
104	Practice Perfect Medical Software (PTY) Limited	87	Hillcrest/South Africa	15
105	Conai System	67	Rome/Italy	0
106	DrugAgency a.s.	78	Prague/Czech Republic	10
107	Qurasoft GmbH	5	Koblenz	14

	Company name	Participation held by	Registered Office	Equity voting rights in %
108	PLSP A/S	45	Skanderborg/ Denmark	17

*	Undergoing liquidation
a)	Participation held by CompuGroup Medical SE & Co. KGaA (78.5 %) and CompuGroup Medical Deutschland AG (21.5 %)
b)	Participation held by CompuGroup Medical SE & Co. KGaA (99 %) and CompuGroup Medical Deutschland AG (1 %)
c)	Participation held by CompuGroup Medical SE & Co. KGaA (99.98 %) and CompuGroup Medical Deutschland AG (0.02 %)
d)	Participation held by CGM LAB International GmbH (99.9 %) and CompuGroup Medical SE & Co. KGaA (0.1 %)
f)	Participation held by CompuGroup Medical SE & Co. KGaA (91.511 %) and Profdoc AS (8.489 %)
g)	Participation held by CompuGroup Medical SE & Co. KGaA (5 %) and CompuGroup Medical Software GmbH (95 %)
h)	Participation held by R56+ Management GmbH (86 %) and CompuGroup Medical SE & Co. KGaA (2 %)
i)	Participation held by eMDs Inc. (99.9 %) and CompuGroup Holding USA, Inc. (0.1 %)

C.5 Debt consolidation

Receivables, liabilities and provisions between the companies included in the consolidated financial statements were offset against each other.

C.6 Consolidation of results

Internal revenues between the consolidated companies were offset against the expenses attributable to them. Other income (including investment income) was offset against the corresponding expenses with the recipient of the services. Intercompany profits from goods and services within the group were eliminated.

C.7 Foreign currency translation

When preparing the financial statements of each individual group company, transactions denominated in currencies other than the respective functional currency of the company are translated at the exchange rates prevailing on the date of the transaction. The functional currency is usually the respective national currency, i.e. the currency of the primary business environment. At each reporting date, monetary items in foreign currencies are converted to the currency of the report (euro) using the effective closing rate. Non-monetary items denominated in foreign currencies, which are measured at fair value, are converted at the rates effective at the date on which the fair value was established. Non-monetary items measured at cost are translated at the exchange rate as at the date of their initial recognition.

Exchange differences on monetary items are recognized through profit or loss in the period in which they occur. This does not apply to:

- exchange differences resulting from borrowings denominated in foreign currencies that arise on assets intended for productive use during the production process. These differences are attributed to manufacturing costs if they represent adjustments to the interest paid on borrowings denominated in foreign currency. Such exchange differences had no effect on these consolidated financial statements of CGM, as there were no such circumstances at CGM;
- exchange differences from transactions that were entered into to hedge against certain foreign currency risks;
- exchange differences from monetary items retained from or payable to a foreign business whose performance is neither planned nor likely to occur. These are treated as part of the net investment in that foreign business and are initially recognized in other comprehensive income and are reclassified to the income statement on the disposal of equity.

When preparing the consolidated financial statements, the assets and liabilities of the affiliated foreign currency operations are converted into euro (EUR) using the exchange rates prevailing as at the reporting date. Income and expenses are translated at the average rate for the period. Strong fluctuations in foreign currencies, which would trigger a translation of income and expenses at the time of a transaction, are not material to these consolidated financial statements. Equity is translated at historic rates.

In the event of the disposal of a foreign business, all accumulated exchange differences attributable to the group recognized in other comprehensive income from this business are reclassified to the income statement. The following transactions are regarded as disposals of a foreign business:

- the disposal of the group's entire interest in a foreign business;
- a partial disposal with the loss of control over a foreign subsidiary; and
- a partial disposal of an investment in a joint venture or an associated company, which includes a foreign business.

If parts of a subsidiary are disposed of and those parts include a foreign business without causing a loss of control, the percentage of the amount of exchange differences attributable to the portion disposed of is allocated to non-controlling interests at the time of disposal.

Both goodwill resulting from the acquisition of a foreign business and adjustments to the fair values of identifiable assets and liabilities are treated as assets and liabilities from the foreign business and are translated at the closing rate. The resulting exchange differences are recognized in the currency translation reserve (other comprehensive income).

The following table provides information on the exchange rates of the (essential) currencies used within the CGM group:

	Closing rates		Average rates Jan 1 - Dec 31	
1 Euro corresponds to	Dec 31, 2024	Dec 31, 2023	2024	2023
Switzerland (CHF)	0.94	0.93	0.95	0.97
Czech Republic (CZK)	25.19	24.72	25.12	24.00
Denmark (DKK)	7.46	7.45	7.46	7.45
Great Britain (GBP)	0.83	0.87	0.85	0.87
Norway (NOK)	11.80	11.24	11.63	11.42
Poland (PLN)	4.28	4.34	4.31	4.54
Romania (RON)	4.97	4.98	4.97	4.95
Sweden (SEK)	11.46	11.10	11.43	11.48
Turkey (TRY)	33.81	32.65	33.04	25.76
USA (USD)	1.04	1.11	1.08	1.08
South Africa (ZAR)	19.62	20.35	19.83	19.96
India (INR)	88.93	91.90	90.56	89.30

D. Summary of the principal accounting and measurement methods and underlying assumptions

Individual items on the statement of financial position and the income statement are summarized and are reported and explained separately in the notes. The items on the statement of financial position are classified as current or non-current items, with non-current items being those expected to be realized after more than twelve months or not within an ordinary business cycle. Deferred taxes are generally classified as non-current items.

D.1 Intangible assets

a) Intangible assets acquired separately and as part of a business combination

CGM recognizes intangible assets with a definite useful life that were acquired separately and not as part of a business combination at cost less accumulated amortization and impairment. Amortization is recognized in profit or loss on a straight-line basis over the expected useful life of the asset. Both the expected useful life and the amortization method are reviewed at the end of each reporting period. All changes resulting from reassessments are taken into account prospectively.

If CGM acquires intangible assets with an indefinite useful life separately, these are recognized at cost less accumulated impairment.

Currently, CGM does not own any separately acquired assets with indefinite useful lives.

Intangible assets acquired as part of a business combination are recognized separately from goodwill and measured at fair value at the acquisition date. Amortization is recognized in profit or loss on a straight-line basis over the expected useful life of the asset. Both the expected useful life and the amortization method are reviewed at the end of each reporting period. All changes resulting from reassessments are taken into account prospectively.

The following useful lives are assumed for the amortization of intangible assets:

	Useful life in years
Acquired software	2 - 15
Customer relationships	10 - 30
Brands	1 - 20
Order backlogs	1 - 3

Amortization as well as any impairment losses and reversals of impairment losses on intangible assets are recognized in the income statement under Amortization of intangible assets.

The majority of the intangible assets reported in the statement of financial position derive from company acquisitions. Currently, with the exception of goodwill, CGM has no assets with indefinite useful lives acquired as part of a business combination.

b) Internally generated software

Costs directly allocated to research activities are recognized as expenses in the period in which they are incurred.

Internally generated intangible assets resulting from development activities or the development phase of an internal software development project are recognized (capitalized) if all the following conditions have been fulfilled:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.
- There is an intention to complete the intangible asset and to use or sell it.
- The ability to use or sell the intangible asset is present.
- The intangible asset is expected to generate future economic benefit.
- Suitable technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
- The expenses allocated to the development of the intangible asset can be reliably determined (e.g., by means of project-specific time sheets).

An internally generated intangible asset is capitalized from the time when the intangible asset first fulfils the above conditions. It is measured at the sum of the expenses accrued from such date. As long as an internally generated intangible asset cannot be capitalized or an intangible asset does not yet exist, development costs are recognized in profit or loss in the period in which they are incurred.

Recognized internally generated intangible assets are measured in subsequent periods at cost less accumulated amortization and impairment losses, in the same way as acquired intangible assets.

Borrowing costs directly attributable to software development (qualifying asset) are capitalized as part of the cost of that asset in the period during which all work to prepare the asset for its intended use or sale is carried out.

Internally generated intangible assets (usually software) are amortized on a straight-line basis over their expected useful lives (two to fifteen years). Intangible assets not yet completed are tested annually for impairment. If required, impairment is then recognized.

c) Goodwill

Goodwill is not subject to planned amortization but is tested annually for impairment on November 30. Goodwill arising from a business combination is recognized at acquisition cost less accumulated impairment.

For the purpose of impairment testing, goodwill upon acquisition is allocated to those cash-generating units (or groups thereof) of the CGM group that are expected to benefit from the synergies generated by the business combination.

Goodwill is allocated to the individual cash-generating units or groups of cash-generating units for which synergies are expected to arise. The CGM group monitors the recoverability of goodwill at the level of the reportable segments. No impaired goodwill was identified in this context.

The recoverable amount is the higher of a) value in use and b) fair value less costs to sell. To determine the recoverable amount, the group calculates the value in use of the cash-generating units using a discounted cash flow method (DCF). A subsequent reversal of an impairment loss on goodwill recognized in prior financial years on the grounds that the reasons no longer exist is not permitted.

Even if the recoverable amount exceeds the carrying amount of the CGU to which the goodwill is allocated in future periods, no reversals of impairment losses on goodwill are recognized. Impairment of goodwill is recognized in the income statement under Amortization of intangible assets.

The accounting policy for goodwill arising from the acquisition of an associated company is described under C.3. Associated companies and joint ventures.

d) Impairment of property, plant and equipment and intangible assets (not including goodwill)

At the end of each reporting period, the group reviews the carrying amounts of property, plant and equipment and intangible (depreciable) assets to determine whether there is any indication that those assets may be impaired. If there are any such indications, the recoverable amount of the asset is determined in order to assess the extent of the potential impairment loss. If the recoverable amount cannot be determined for the individual asset, the recoverable amount is estimated at the level of the cash-generating unit to which the asset belongs. This also applies if there are indications of impairment.

The recoverable amount is the higher of a) value in use and b) fair value less costs to sell. When determining the value in use, the estimated future cash flows are discounted to their present value using the current market interest rate.

If the estimated recoverable amount of an asset (or cash-generating unit) is lower than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. The impairment is recognized immediately in profit or loss.

When the reasons for impairment no longer apply, the carrying amount of the asset (or cash-generating unit) is increased to its revised estimated recoverable amount.

The increase in the carrying amount is limited to the value that would have been determined if no impairment had been recognized for the asset (cash-generating unit) in prior years. A reversal of the impairment is recognized immediately in profit or loss.

e) Derecognition of intangible assets

Intangible assets are derecognized upon disposal or when no further economic benefits are expected from their use or disposal. The gain or loss arising on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the income statement when the asset is derecognized. They are reported under Other income or Other expenses.

D.2 Property, plant and equipment

a) Land and buildings

Land and buildings held for use in production or supply of goods or provision of services or for administrative purposes are carried at amortized cost less accumulated planned depreciation and accumulated impairment. The cost also includes interest on borrowings eligible for capitalization.

Land and buildings intended for use in production or supply of goods or provision of services or for administrative purposes and that are under construction are carried at amortized cost less any impairment losses recognized. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until all work to prepare the asset for its intended use or sale has essentially been completed. Depreciation of these assets begins on the same basis as for other buildings when the asset is ready for use. Land is not subject to planned depreciation. Subsequent expenses are capitalized only if it is probable that the group can obtain the future economic benefits associated with the expenses.

The estimated useful life for the current year and comparative years of significant property, plant and equipment: buildings: up to 60 years.

Depreciation is calculated to allocate the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the period of their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

b) Other equipment, operating and office equipment

Other fixed assets and operating and office equipment are carried at cost less accumulated depreciation and recognized impairment.

Depreciation is calculated using the straight-line method with the costs or fair value being allocated to the residual carrying amount over the expected useful life of the assets. Expected useful lives, residual values and depreciation methods are reviewed at each reporting date and adjusted if necessary. All changes resulting from reassessments are taken into account prospectively. Depreciation of property, plant and equipment is based on useful lives of 3 to 21 years.

Depreciation and recognized impairment losses and reversals of impairment losses on property, plant and equipment are recognized in the income statement under Depreciation of property, plant and equipment and right-of-use assets.

D.3 Investments in companies accounted for using the equity method

Investments in companies accounted for using the equity method include associated companies and joint ventures.

a) Associated companies

Associated companies are accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

They are recognized at cost at the acquisition date. The carrying amounts of joint ventures also include goodwill identified at the acquisition date less impairment. Dividend payments from associated companies are recognized directly in equity in the year of the dividend distribution, thereby reducing the carrying amount of the investment. The company's share in an associated company's profit or loss is recognized as profit or loss in the respective period.

If the group's share of losses in an associated company equals or exceeds its interest in the associated company, including other unsecured receivables, the group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associated company.

Impairment tests are carried out whenever a triggering event occurs (in particular, conspicuous changes in results).

b) Joint ventures

Joint ventures are also accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. They are classified as joint ventures in accordance with the criteria of IFRS 11 Joint Arrangements.

They are recognized at cost at the acquisition date. The carrying amounts of joint ventures also include goodwill identified at the acquisition date less impairment. Dividend payments from associated companies are recognized directly in equity in the year of the dividend distribution, thereby reducing the carrying amount of the investment.

If the group's share of losses in a joint venture equals or exceeds its interest in this company, including other unsecured receivables, the group does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint venture.

Impairment tests are carried out whenever a triggering event occurs (in particular, conspicuous changes in results).

D.4 Financial assets

a) Classification

The CGM group classifies its financial assets in the following categories: measured at amortized cost (AC) and measured at fair value through profit or loss (FVtPL). The classification depends on the company's business model with regard to the management of financial assets and on the contractual cash flows. The management of the CGM group determines the classification of financial assets upon initial recognition.

Measurement of a financial asset at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- the financial asset is held using a business model that aims to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely repayments of principal and interest on the principal outstanding.

Measurement of a financial asset at fair value through profit or loss

A financial asset that is not measured at amortized cost (AC) or at fair value through other comprehensive income (FVOCI) is measured at fair value through profit or loss (FVtPL). Financial assets at fair value through profit or loss also include investments in equity instruments held for trading and investments in equity instruments for which the company has chosen not to recognize changes in fair value in other comprehensive income.

b) Recognition and measurement

A regular purchase or sale of a financial asset is recognized on the trade date – the date on which the group commits to purchase or sell the asset.

Financial assets with the exception of trade receivables, which are measured at transaction price, are measured at fair value upon initial recognition. Financial assets in the AC measurement category are recognized including any applicable transaction costs. The transaction costs of financial assets measured at fair value through profit or loss are recognized in the income statement. Subsequent measurement of financial assets is based on the measurement methods described under a).

c) Impairment of financial assets

The CGM group has three types of financial assets that are subject to the model of expected credit losses:

- trade receivables;
- contract assets; and
- receivables from finance leases.

For further information on the impairment of financial assets to which the group is exposed, see note G.6 Credit risk.

d) Derecognition of financial assets

The CGM group derecognizes a financial asset only when the contractual right to receive cash flows from the financial asset expires or if the group transfers the financial asset.

e) Offsetting financial instruments

Financial assets and liabilities are offset and disclosed as a net amount in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts against each other and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously. There were no material transactions of this type as at the reporting date.

D.5 Inventories

Inventories are measured at the lower of cost and net realizable value. The costs of conversion include direct material costs and, if applicable, direct production costs as well as production overheads. The values are calculated using either the weighted average cost formula or the first-in-first-out (FIFO) formula. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Impairments and reversals are recognized as a measurement adjustment in the expenses for goods and services purchased.

D.6 Trade receivables

Trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are generally payable within 14 days and are therefore classified as current assets.

Trade receivables are initially recognized at the amount of the unconditional consideration. If they contain significant financing components, they must instead be recognized at fair value. This type of receivables does not exist within the CGM group.

The group holds trade receivables in order to collect the contractual cash flows and subsequently measures them at amortized cost using the effective interest method. For further information on the impairment of trade receivables to which the group is exposed, see note G.6 Credit risk.

D.7 Cash and bank deposits

Cash and bank deposits are measured at cost. They comprise cash at hand, bank deposits available on call and other current, highly liquid financial assets with a maturity of three months or less at the time of acquisition. Where the group holds a significant amount of cash and cash equivalents that are not at the group's disposal, a disclosure is made. Cash and cash equivalents are also subject to the impairment provisions of IFRS 9, but the impairment loss identified was immaterial and therefore not recognized.

D.8 Equity

If equity instruments exist, they are recognized in the amount of issue proceeds less any directly attributable issue costs. Issue costs include costs that would not have been incurred if the equity instrument had not been issued.

Shares that are bought back by the CGM group (treasury shares) are deducted directly from equity. The acquisition, sale, issue or redemption of own equity instruments does not lead to entries in the income statement. Any consideration paid or received is recognized directly in equity.

D.9 Accumulated other comprehensive income

Accumulated other comprehensive income includes changes in equity not recognized in profit or loss, provided that such changes are not based on transactions with shareholders that are recognized in equity. Changes recognized in other comprehensive income include the currency translation differences, unrealized gains and losses from the fair value measurement of available-for-sale assets and effects from changes in cash flow hedges.

D.10 Provisions for post-employment benefits

The cost of providing benefits under defined benefit plans is determined using the projected unit credit method, whereby an actuarial valuation is performed at each reporting date. This method takes into account biometric calculation bases as well as the most recent long-term capital market interest rate and current assumptions about future salary and pension increases.

Remeasurements consisting of actuarial gains and losses, as well as changes resulting from the application of the asset ceiling and the return on plan assets (excluding interest on the net defined benefit liability) are recognized directly in other comprehensive income. The remeasurements recognized in other comprehensive income are part of retained earnings and are not reclassified to the income statement.

Past service cost is recognized in profit or loss as an expense as soon as the plan amendment occurs and to the extent that the changes to the pension plan are not conditional on the employee remaining in service for a specified period of time (the vesting period).

Net interest is calculated by multiplying the discount rate used by the net defined benefit liability (pension obligation less plan assets) or the net defined benefit asset at the beginning of the financial year if the plan assets exceed the pension obligation. The defined benefit costs include the following components:

- service cost (including current service cost, past service cost and potential gain or loss result from a plan amendment or curtailment);
- net interest expense or income on net defined benefit liability or asset;
- remeasurement of net defined benefit liability or asset.

The CGM group reports the first two components in the Personnel expenses item in the income statement. Gains or losses from curtailments are recognized as past service cost.

The provision for defined benefit plans recognized in the consolidated statement of financial position equals the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Any resulting overfunding is limited to the present value of future economic benefits available in the form of (contribution) refunds from the plans or reduced future contribution payments to the plans.

Payments for defined contribution plans are recognized as an expense in personnel expenses when the employees have performed the work that entitles them to the contributions. Payments for state pension plans are treated in the same way as payments for defined contribution plans. The CGM group has no further payment obligations beyond the payment of contributions.

D.11 Other provisions

Provisions are recognized for legal and actual obligations that have arisen or have been incurred at the reporting date, where it is probable that the fulfilment of the obligation will result in an outflow of funds or an outflow of other resources of the company and where there is uncertainty as to the maturity and estimated amount of the obligation.

The measurement is based on the settlement amount with the highest probability of occurrence or, if the probabilities of occurrence are equally distributed, on the expected value of the settlement amounts. Risks and uncertainties inherent in the obligation must be taken into account. If a provision is measured on the basis of the estimated cash flows required to settle the obligation, these cash flows must be discounted if the interest effect is material.

If it can be assumed that parts or all of the economic benefit required to settle the provision will be reimbursed by an external third party, the CGM group capitalizes this as an asset, provided that the reimbursement is virtually certain and the amount of the reimbursement can be reliably estimated.

a) Onerous contracts

Present obligations arising in connection with onerous contracts are recognized as provisions. An onerous contract is deemed to exist if the CGM group is a party to a contract where it is expected that the unavoidable costs of meeting the obligation under the contract will exceed the economic benefits that can be generated from it.

b) Restructuring

A provision for restructuring expenses is recognized when the CGM group has prepared a detailed, formal restructuring plan that has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Only the direct expenses for restructuring are recognized in the measurement of the restructuring provision. Accordingly, only those amounts are recognized that arise as a result of the restructuring and are not related to the group's continuing operations.

c) Warranties

Provisions for the expected expenses from warranty obligations under national sales contract law are recognized at the time of sale of the relevant product. The amount is derived by estimating the expenses required to meet the group's obligation. Where there are a number of similar obligations – as in the case of warranties – the probability that an outflow will be required to settle such obligations is determined by considering the class of obligations as a whole. A provision is also recognized as a liability if the probability of an outflow of resources relating to an individual asset included in this group is low.

d) Severance payments

A liability for employment termination benefits is recognized if the CGM group can no longer withdraw the offer of such benefits. If severance payments are incurred in connection with restructuring, the liability for termination benefits is recognized earlier (before the offer is made).

e) Provisions for anniversaries

Provisions for anniversaries are measured using the projected unit credit method. The provisions for anniversaries are paid out in accordance with the age structure of the workforce on the employees' respective anniversaries. Based on the current number of employees, payments will be made mainly over the next 30 years.

D.12 Financial liabilities

The CGM group recognizes financial liabilities when a group company becomes a contractual party to the financial instrument. Such liabilities are classified depending on the circumstances either as financial liabilities at fair value through profit or loss or as financial liabilities measured at amortized cost.

The CGM group measures financial liabilities at fair value upon initial recognition. Financial liabilities measured at amortized cost are recognized less any transaction costs. The management of the CGM group determines the classification of financial liabilities upon initial recognition.

a) Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified as financial liabilities at fair value through profit or loss (FVtPL) if they are either held for trading or are voluntarily designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it was acquired principally for the purpose of being repurchased in the near term; or
- upon initial recognition, it is part of a portfolio of clearly identified financial instruments that are jointly managed by the CGM group and which generated short-term profit-taking in the recent past; or
- it is a derivative that is not designated and effective as a hedging instrument and is not a financial guarantee.

Financial liabilities other than financial liabilities held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly mitigates a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability belongs to a group of financial assets or financial liabilities that are managed and measured on a fair value basis in accordance with a documented risk or investment management strategy of the group.

Financial liabilities classified as FVtPL are measured at fair value. Any gains or losses resulting from the measurement are thus recognized in profit or loss. The net gain or loss recognized in the income statement includes interest paid on the financial liability and is included in the Financial income and expenses item.

b) Other financial liabilities

Other financial liabilities, such as loans, trade payables and other liabilities, are measured at amortized cost (AC) using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense to the corresponding periods. The effective interest rate is the interest rate that is used to discount estimated future cash outflows, including fees incurred and fees paid or received that are an integral component of the effective interest rate, as well as transaction costs or other premiums or discounts over the expected life of the financial instrument or a shorter period, to the net carrying amount of the financial asset upon initial recognition.

c) Derecognition of financial liabilities

The CGM group derecognizes a financial liability as soon as the respective obligation has been settled, i.e., the obligations specified in the contract are met, canceled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration received is stated in the income statement.

D.13 Derivative financial instruments (in hedge accounting)

The CGM group enters into derivative financial instruments to manage its interest rate and exchange rate risks. This includes the conclusion of forward exchange transactions as well as interest rate caps and swaps. Derivatives are initially recognized at fair value at the time the contract is entered into and subsequently measured at fair value at the end of each reporting period. The resulting gains or losses are recognized immediately in profit or loss. If the derivative is a hedging instrument in a designated and effective hedging relationship (hedge accounting), the change in value is recognized in other comprehensive income.

In principle, designated hedges belong to one of the following categories:

- fair value hedges of a recognized asset or liability or a firm commitment;
- hedging a specific risk associated with the recognized asset or liability (such as a portion or all of the future interest payments on a variable-rate liability) or a risk associated with a highly probable future transaction (cash flow hedge);
- hedging of a net investment in a foreign operation as defined by IAS 21 (net investment hedge).

The relationship between the hedged item and the hedging instrument, including the risk management objectives and the corporate strategy underlying the hedge, is documented at the start of hedge accounting. In addition, both when the hedging relationship is entered into and during the course of the hedging relationship, regular documentation is provided as to whether the hedging instrument designated in the hedging relationship is highly effective in offsetting changes in the fair value or cash flows of the hedged item in accordance with the hedged risk. Recognition through profit or loss of the valuation results depends on the nature of the hedging relationship.

The total fair value of a derivative designated as a hedging instrument is classified as a non-current asset or non-current liability if the hedged item has a remaining term of more than one year, and is classified as a current asset or current liability if the hedged item has a remaining term of less than one year.

Derivatives with a remaining term of more than one year are classified as non-current assets or liabilities; otherwise they are classified as current.

D.14 Cash flow hedges

The effective amount of the change in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income under Cash flow hedges. A gain or loss attributable to the ineffective portion is recognized immediately in profit or loss and reported in the financial result in the income statement.

Potential causes of inefficiencies arise from changes in the credit risk of counterparties with whom the financial instruments were concluded, as well as from basis spreads in foreign currencies. These potential inefficiencies are regularly reviewed in the course of the year.

Amounts recognized in other comprehensive income are transferred to the income statement in the period in which the hedged item is recognized in profit or loss. If a hedged expected transaction results in the recognition of a non-financial asset or non-financial liability later on, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the asset or liability.

The hedge relationship is no longer recognized in the statement of financial position if the CGM group dissolves, sells, terminates or exercises the hedge or if the hedging instrument is no longer suitable for hedging purposes. The entire gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is not recognized in profit or loss until the expected transaction is also recognized in the income statement. If the transaction can no longer be expected to be realized, the entire income recognized in equity is immediately recycled to profit or loss in the income statement.

Information on the fair values of derivatives used for hedging purposes is provided under D. 21 i) Fair value of derivative and primary financial instruments.

D.15 Government grants

Government grants relating to assets that are acquired or produced are deducted from the cost of the assets concerned, which reduces the planned depreciation of these assets accordingly.

Government grants related to income that do not relate to the acquisition or production of assets are recognized in profit or loss in the period in which the corresponding claim arises and are reported as other income.

D.16 Leases

a) The CGM group as lessee

As a lessee, the group mainly leases real estate, motor vehicles, IT equipment as well as operating and office equipment. In accordance with IFRS 16, the CGM group recognizes right-of-use assets and lease liabilities for all leases.

When use of an asset commences or when a contract containing a lease component is amended, the contractually agreed consideration is allocated on the basis of the relative stand-alone prices. The CGM group does not separate the non-lease components for vehicle leases, and instead accounts for lease and related non-lease components (mainly service fees) as a single lease component.

As at the commencement date, the cost of the right-of-use asset is equal to the lease liability adjusted for prepayments, initial direct costs and estimated costs of dismantling the asset. Incentive payments from the lessor that have already accrued reduce the acquisition cost.

In the scope of subsequent measurement, the right-of-use asset is depreciated on a straight-line basis over the lease term and, if necessary, adjusted for any extraordinary depreciation.

The lease liability is recognized in the amount of the present value of the future lease payments over the reasonably certain term of the lease. It is discounted at the interest rate implicit in the lease. If this cannot be readily determined, it is discounted using the incremental risk-adjusted borrowing rate of the CGM group. This interest rate is adjusted to reflect the nature of the asset and the terms and conditions of the lease. The CGM group currently uses its risk-adjusted incremental borrowing rate for the discounting of all its leases. Similar leases are grouped into portfolios and measured using a uniform discount rate.

Lease payments comprise all fixed and quasi-fixed payments less any incentives paid by the lessor. In addition, payments are recognized for purchase and termination options the group is reasonably certain to exercise. All other variable payments are recognized as an expense. The lease liability is measured and adjusted using the effective interest method.

The lease term is the reasonably certain period over which an asset is leased. In addition to the non-cancelable basic lease term, extension periods are included if it is reasonably certain they will be exercised. This estimate is reviewed if either events beyond the lessee's control or significant changes in circumstances occur that require a change in the term of the lease.

The lease term is adjusted if it is reasonably certain that an extension option will be exercised or a termination option will not be exercised, and this was not taken into account in the original assessment. The adjustment of the lease term alters the future series of payments, thus resulting in a remeasurement of the lease liability using the current interest rate. The resulting difference is recognized directly in equity in the right-of-use asset.

b) The CGM group as lessor

Leases are classified as a finance lease if they transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Leases in which a significant portion of the risks and rewards incidental to ownership of the leased asset remain with the lessor are classified as operating leases.

If assets are leased out under a finance lease (particularly in the PCS segment), the present value of the minimum lease payments is recognized as a lease receivable. The difference between the gross account receivable (minimum lease payments before discounting) and the present value of the receivable is recognized as financial income over the term of the lease. The difference is recognized in revenues. Lease income is recognized over the lease term using the annuity method, which – in relation to the lease receivable – yields a constant annual return.

Assets leased by customers under operating leases are reported under non-current assets. Income from leases is recognized on a straight-line basis over the term of the lease.

D.17 Income taxes and deferred taxes

The income tax expense reported in the CGM group's income statement for the reporting period is the sum of the current tax expense and the deferred taxes recognized in profit or loss. The CGM group determines the current tax expense on the basis of the taxable income of the group companies using the respective current national income tax rates.

In accordance with the provisions of IAS 12, the CGM group recognizes all temporary differences between the tax accounts and the consolidated financial statements as deferred taxes. Deferred taxes on loss carryforwards are recognized up to the amount of the deferred tax liabilities, taking into account minimum taxation.

Deferred tax assets and liabilities are also recognized on temporary differences arising from business acquisitions. An exception to this is temporary differences on goodwill, for which no deferred taxes are recognized.

If goodwill is taken into account for tax purposes, deferred taxes that are only realized upon disposal are recognized in the subsequent measurement.

Deferred taxes are calculated using the respective current national income tax rates of the group companies. Income tax rates that have already been enacted but will only be applied in future periods are also taken into account when determining deferred taxes.

Deferred taxes are generally recognized in profit or loss (exception: first-time consolidation), unless they relate to items recognized directly in equity or in other comprehensive income. In this case, the taxes are also recognized in equity or in other comprehensive income.

D.18 Sales revenues from contracts with customers

Revenues are recognized in accordance with IFRS 15.

IFRS 15 is generally applicable to all contracts with customers. Exceptions to this are the following contracts:

- leases covered by IFRS 16 Leases;
- financial instruments and other contractual rights or obligations within the scope of IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures;
- insurance contracts within the scope of IFRS 4; and
- non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers.

Revenues are determined based on the consideration specified in a contract with a customer. The group recognizes revenues when it transfers control of goods or services to a customer.

Five steps are derived from the principles set forth in IFRS 15.

Step 1 is to determine whether a customer contract falls within the scope of IFRS 15. This is the case if all the criteria given below in IFRS 15.9 are met:

(a) the parties to the contract have approved the contract and are committed to performing their respective obligations;
(b) the company can identify each party's rights regarding the goods or services to be transferred;
(c) the company can identify the payment terms for the goods or services to be transferred;
(d) the contract has commercial substance; and
(e) it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The assessment of probability must be based solely on the customer's ability and intention to pay when the invoice is due. The amount of consideration to which the company will be entitled may be lower than the price stated in the contract if the consideration is variable because the company may offer the customer a price concession.

Two or more contracts entered into at or near the same time with the same customer shall be combined and accounted for as a single contract if one or more of the following criteria are met:

The contracts are negotiated as a package with a single commercial objective:

(f) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
(g) the goods or services promised in the contracts are a single performance obligation in accordance with IFRS 15.22-30.

Step 2 is to identify the performance obligations included in the contract, as revenues must be recognized at the level of individual performance obligations. Goods or services are distinct and therefore classified as individual performance obligation if the customer can benefit from them independent of other promises for performance in the contract. In addition, these promises must be separately identifiable from other promises in the contract.

Step 3 is to determine the transaction price, which is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Although this price will often be a fixed amount, the transaction price may also include variable components, such as discounts, credits, performance bonuses, penalties, etc. The amount of such variable consideration shall be estimated and included in the transaction price. The associated uncertainty is accounted for by recognizing these variable amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The transaction price also includes potential financing components and non-cash consideration (measured at fair value).

The transaction price determined as previously explained is allocated to the individual performance obligations in **step 4** based on the relative stand-alone selling prices. If these are not directly observable (e.g., from corresponding transactions with the individual performance obligations), these prices must be estimated.

Finally, in **step 5**, revenues must be recognized at the point in time or over the time the underlying performance is satisfied. The performance obligation is satisfied when the control of the goods or services is transferred. Control of an asset refers to the ability to direct the use of, and obtain the benefits from, the asset.

When entering into a contract in accordance with IFRS 15, it must be determined whether the revenues arising from the contract are to be recognized at a point in time or over time. In this regard, it must first be clarified by applying specific criteria, if the control of the individual performance obligations is transferred over time. If this is not the case, revenues are recognized at the point in time when control is transferred to the customer. Indicators of this are, for example, legal transfer of ownership, transfer of significant risks and rewards, or formal acceptance.

If, on the other hand, control is transferred over time, revenues may be recognized over time only if the percentage of completion can be measured reliably using input or output methods. In addition to general revenue recognition principles, the standard provides detailed guidance on topics such as disposals with rights of return, customer options on additional goods or services, principal-agent relationships and bill-and-hold arrangements. IFRS 15 also includes new guidelines related to costs to obtain or fulfil a contract with a customer and for the question when such costs must be recognized as an asset. Costs that do not meet the defined criteria should be expensed as incurred.

CGM recognizes its revenues net of sales deductions such as bonuses, cash discounts or rebates.

The following table provides information about the nature and timing of the settlement of performance obligations under contracts with customers, including significant payment terms, and the related revenue recognition principles. The group recognizes revenues from the following main sources:

Type of sales revenues	Description and revenue recognition
Software licenses	This includes revenues from the sale of software licenses, which are usually remunerated with a single payment. The license entitles the customer to permanent use of the software. The license fee is contractually fixed and does not trigger any future license payments or usage-based billing. Only extensions of the software modules used trigger further license payments. Revenues from the sale of software licenses are deferred over the minimum contractual term of the maintenance agreement if software license and software maintenance are together one performance obligation. This affects practically all license sales in the classic AIS and PCS segment. CGM applies the portfolio approach in accordance with IFRS 15.4 for this purpose. Revenues from license sales in the HIS segment are typically recognized during the customer's implementation phase. Revenues from rental and lease transactions that cannot be regarded as sales are recognized on a straight-line basis over the lease period.
Software maintenance and other recurring revenues	This includes revenues from contracts that give customers access to new releases of software products after the latter have already been supplied. These updates serve to rectify bugs, improve performance and other features and also adapt the software to changes in the legal framework. The contractual relationship for software maintenance also usually includes hotline support (either via telephone or online). The minimum contract terms for software maintenance vary depending on the product line (from cancellation possible at any time to cancellation possible for the first time after five years), taking into account the individual cancellation periods. If cancellations are not made in due time as agreed in the contract, the software maintenance contract usually extends by a further twelve months. Revenues from recurring, transaction-specific services and other long-term services, including, for example, multi-year software licensing (SaaS and period-related transfer of use), application service provider services, hosting fees, Internet service provider fees, eServices fees, EDI and remuneration payments, receivables management payments, outsourcing agreements, hardware maintenance and repair agreements, etc. are generally based on a long-term contractual relationship. Revenues from software maintenance and other recurring revenues and from support services are recognized on a pro-rata basis over the period when the services are rendered.
Professional services	Revenues from services that are remunerated on an hourly basis or at contractually agreed fixed prices are included in the revenue type professional services. The activities performed on behalf of the customer include for example, project management, analyses, training, system configuration and customer-related programming. The revenues for services that are remunerated on an hourly basis are recognized at the point in time when the service is rendered. Revenues are generally recognized over time, whereby the CGM group makes use of the practical expedient to recognize them in the amount that the CGM group has a right to invoice. Revenues from service components within the framework of contracts for work and services and other service contracts are recognized over time using the percentage-of-completion method. The percentage of completion is typically determined by dividing the contract costs incurred for work performed to that date by the estimated total contract costs (cost-to-cost method). For complex contracts where it is not possible to reliably estimate the total contract costs and thus the percentage of completion cannot be determined, revenues are recognized only to the extent of the contract costs incurred. Even though it is impossible to estimate the percentage of completion, the CGM group nevertheless expects a positive margin. A pro rata profit is therefore only recognized when the project has been fully completed (zero profit method).
Hardware	Revenues from the sale of hardware and infrastructure components, such as PCs, servers, monitors, printers, switches, racks, network components, etc. These revenues are recognized immediately upon delivery of the hardware components. Revenues from rental and lease transactions that cannot be regarded as sales are recognized on a straight-line basis over the lease period.
Advertising, eDetailing and data	This includes revenues from paid advertising and communication services via software or other media. Furthermore, revenues from software services and the associated services that support the sales process of pharmaceutical companies are reported under this revenue type. Revenues from the collection, structuring, and provision of data (e.g., blacklists) for healthcare providers (e.g., health insurers, pharmaceutical companies, etc.) are also allocated to this revenue type. Revenues from advertising, eDetailing and data that take the form of a continuing obligation are recognized on a pro rata basis over time as long as the service is rendered. For services to be rendered on a daily basis, which are remunerated on an hourly basis, revenue is recognized at the point in time when the service is rendered.
Software Assisted Medicine (SAM)	This includes revenues from healthcare management and associated services. In addition, revenues generated from the use of special software modules (i.e., software supporting medical decision-making) within medical practices, hospitals, physician-hospital networks, health insurance companies, patient networks, etc. are allocated to this type of revenue. For services in health management to be rendered on a daily basis, which are remunerated on an hourly basis,

Type of sales revenues	Description and revenue recognition
	revenue is recognized at the point in time when the service is completed. Revenues are generally recognized over time, whereby the CGM group makes use of the practical expedient to recognize them in the amount that the CGM group has a right to invoice. Revenues from sales of SAM software licenses are recognized in part immediately upon delivery, provided that the delivered software only grants the customer a right to access. If revenues from the sale of SAM software licenses fall under the "right to use" approach, the revenues from software licenses, revenues from software maintenance and other recurring revenues in the SAM area as well as support services, are recognized on a pro-rata basis over the minimum contractual term for the provision of the service.
Other revenues	This comprises all revenues that cannot be attributed to any of the aforementioned categories. Revenue recognition is carried out on a case-by-case basis in compliance with the relevant IFRS requirements.

When hardware components are sold at the same time as a hardware maintenance and support contract is signed, a discount is usually applied at the expense of the hardware sale. CGM has identified two performance obligations for this multiple-component transaction. The amounts allocated to sales for hardware components are increased due to the allocation method prescribed by IFRS 15 (i.e., an allocation based on the stand-alone selling price), while the amounts allocated to hardware maintenance and support contracts are decreased accordingly over their term. Therefore, the revenues have been adjusted to reflect the change in accounting policies. Current and non-current contract assets were recognized for this amount.

On average, the system implementation process for software services takes between three and six months. For very large system implementation contracts (e.g., hospital information system implementation for a chain of hospitals), the implementation process may extend over several years. Depending on the form of the contract, CGM is entitled to invoice the customer on a monthly basis according to time spent, as soon as certain milestones are reached or not before completion of the project (successful acceptance by the client). Under IFRS 15, revenues that are realized before the customer is invoiced are recognized as a contract asset.

CGM incurs commissions that are paid to intermediaries or its own sales employees for arranging purchase agreements and service agreements for software licenses, software maintenance or other service agreements. Whenever CGM expects to be reimbursed for these incremental costs, it capitalizes them and depreciates them over the period in which the performance from the provision of the software license is transferred to the customer together with the software maintenance contract or the provision of services.

Given CGM's business model and the customer groups it addresses, there are no significant reimbursement obligations or corresponding rights to return goods.

A contract asset must be recognized if CGM has recognized revenues as a result of the satisfaction of a contractual performance obligation before the customer has made a payment or before – irrespective of the due date – the conditions for invoicing and thus recognizing the account receivable are met.

A contract liability must be recognized if the customer has made a payment or an account receivable from the customer becomes due before CGM has satisfied a contractual performance obligation and recognized the corresponding revenue. Contract liabilities are to be offset against contract receivables within a customer contract.

D.19 Interest and dividend income

Interest income is accrued periodically taking into account the outstanding loan amount and the applicable interest rate. The applicable interest rate equals the rate that discounts estimated future cash flows over the term of the financial asset to the net carrying amount of the asset.

Dividend income from financial investments is recognized when the shareholder's legal right to receive payment is established.

D.20 Earnings per share and share-based payment transactions

a) Earnings per share

Undiluted earnings per share are calculated by dividing the share of profit or loss for the period attributable to the shareholders of CompuGroup Medical SE & Co. KGaA by the weighted average number of shares issued. If new shares are issued or bought back within a reporting period, they are included in the calculation on a pro rata basis for the period in which they are outstanding. The share options granted by the company lead to a dilution of earnings per share.

b) Share-based payment transactions

The fair value of share options granted is determined in accordance with IFRS 2 Share-based payment by simulating the future performance of the company's subscribed capital on the basis of market parameters (e.g., volatility and risk-free interest) and normally distributed random numbers (Monte Carlo simulation). The fair value of the share options is offset against capital reserves through profit or loss over the expected option period of up to four years.

The fair value at the grant date is used for measurement purposes.

D.21 Estimates and management judgments

The preparation of the consolidated financial statements in accordance with IFRS requires that assumptions and estimates be made. These affect the amount and recognition of assets and liabilities, income and expenses, and contingent liabilities in the reporting period. The significant estimates and judgments made in the preparation of the consolidated financial statements are discussed below. For the carrying amounts of the above-stated line items, please refer to section E. Notes on items on the statement of financial position and income statement.

a) Purchase price allocation and business acquisitions

Assumptions and estimates are made in particular as part of the purchase price allocations for business acquisitions. User software from business acquisitions is determined using the license price analogy, customer relationships are determined using the multi-period excess earnings method, and trademark rights are determined using the license price analogy. Estimates are also used as a basis for the planned amortization of identified hidden reserves.

b) Estimated impairment of goodwill

Goodwill is tested for impairment on the basis of cash flow projections for the cash-generating units for the next three years and applying a discount rate adjusted for the company risk, both annually and immediately outside the annual period as soon as there is any indication that goodwill is impaired. The CGM group determines the recoverability on the basis of the higher of the fair value less costs to sell and the value in use. The management of the CGM group believes that the assumptions used to calculate the recoverable amount are appropriate. Unforeseen changes in these assumptions could result in impairment losses, which would have a negative impact on the net assets, financial position and results of operations of the CGM group. The calculation of values in use is subject to discretion because of the necessity to make estimates regarding future cash flows.

c) Recoverability of assets

At each reporting date, the CGM group reassesses as part of the impairment test, whether there are any indications that an item of property, plant and equipment or an intangible asset (including intangible assets from internally generated software) may be impaired. In this case, the recoverable amount of the asset or the cash-generating unit concerned, if the asset does not generate cash inflows that are largely independent of those from other assets, is determined using the best estimate of the input parameters. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use, in line with the procedure for goodwill impairment testing. The recoverable amount is determined on the basis of the cash flow forecasts for the relevant asset or cash-generating unit for the next three or four years, applying a discount rate adjusted for the business risk. The CGM Group management believes that the assumptions used to calculate the recoverable amount are appropriate with regard to the economic environment and the industry development; nevertheless, changes in the underlying parameters could lead to an adjustment of the impairment analysis of the asset or the cash-generating unit. This could result in further impairment losses or reversals of impairment losses in future periods if the assumptions and estimates used by management prove to be incorrect.

d) Useful lives of property, plant and equipment

As already stated in the notes on Property, plant and equipment in this section, the CGM group reviews the estimated useful lives of property, plant and equipment at each reporting date to determine whether they are appropriate. In this context, reassessments are made with regard to the remaining useful lives. Changes that result in a reassessment of the remaining useful life may arise, for example, from changes in market conditions (e.g., price erosion) or general technological progress.

e) Assessment of the probability of other provisions

Since other provisions are recognized and measured on the basis of the best estimate of the probability of the future outflow of resources and on the basis of past experience, taking into account the circumstances known at the reporting date, the actual outflow of resources may differ from the other provisions recognized for this purpose.

f) Provisions for post-employment benefits

The present value of the pension obligation depends on a variety of factors that are based on actuarial assumptions. The assumptions used in determining net pension expense (or income) include the discount rate. Any change in these assumptions will have an impact on the carrying amount of the pension obligation.

g) Revenue recognition for project orders

Some of the consolidated subsidiaries of the CGM group enter into project orders with only one performance obligation as part of their business activities. Contractually agreed revenues are recognized over time. This relates in particular to the HIS segment. Under IFRS 15, revenues are recognized when it is highly probable that contract amendments will not result in a significant cancellation. Furthermore, the introduction of IFRS 15 ensures that the new provisions for variable consideration (e.g., incentives) as well as for the accounting of addenda and contract amendments are included in the calculation as contract modifications. The CGM group recognizes provisions for onerous contracts in accordance with IAS 37.66 et seqq. The CGM group regularly reviews the estimates relevant to the measurement of project orders for appropriateness and, if necessary, adjusts the estimates to reflect new findings.

h) Income taxes

Management is also required to make estimates and assumptions when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that it is probable that future tax benefits will be realized. The actual usability of deferred tax assets depends on the future development of the actual taxable result. This may differ from the assessment at the time the deferred taxes are capitalized. Various factors are used to assess the probability of future usability, including past results of operations, operating projections, loss carryforward periods and tax planning strategies.

i) Fair value of derivative and primary financial instruments

The fair value measurement of derivative and primary financial instruments takes into account expected future developments, such as interest rate and credit risks, and well as the underlying assumptions. Further information on the assumptions and estimates underlying these consolidated financial statements are provided in the notes on the individual items of the financial statements. Judgments must be made when applying accounting principles and measurement methods. These decisions are continually reassessed and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

Fair values of derivative financial instruments are determined on the basis of information available at the reporting date using recognized valuation techniques (discounted cash flow method and option valuation method).

j) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are potential obligations or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the CGM group. Contingent liabilities are also present obligations that arise from past events, for which an outflow of resources embodying economic benefits is unlikely or for which the extent of the obligation cannot be estimated with sufficient reliability. Contingent liabilities are recognized at fair value if they have been acquired as part of a business combination. Contingent liabilities not acquired as part of a business combination are not recognized. Contingent assets are not recognized. However, if the realization of income is virtually certain, the asset in question is no longer considered a contingent asset and is recognized as an asset. Where an outflow of resources embodying economic benefits is not unlikely, information on contingent liabilities is disclosed in the notes to the consolidated financial statements. The same applies to contingent assets if the inflow of economic benefits is probable.

E. Notes on items on the statement of financial position and income statement

E.1 Intangible assets

a) Development of intangible assets

Development of intangible assets as at December 31, 2024:

	Purchase and manufacturing costs							
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Other additions	Investment Grants	Reclassi-fications	Disposals	Exchange rate differences	Dec 31, 2024
Intangible assets	1,803,493	60,685	38,939	- 713	10	- 1,166	19,330	1,920,578
Goodwill	699,632	43,695	0	0	240	0	7,875	751,442
Acquired software rights	295,472	6,282	2,632	0	1,023	- 1,166	3,100	307,343
Customer relationships	478,578	10,624	0	0	1,035	0	6,795	497,032
Trademark rights	42,260	84	0	0	0	0	790	43,134
Order backlog	20,247	0	0	0	0	0	59	20,306
Capitalized inhouse services	262,384	0	34,328	- 713	0	0	685	296,684
Prepayments on software	4,920	0	1,979	0	- 2,288	0	26	4,637

	Depreciation and amortization							Net book value	
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2024	Dec 31, 2024	Jan 1, 2024
Intangible assets	493,636	15	68,681	- 1,130	0	4,070	565,272	1,355,306	1,309,857
Goodwill	15,531	0	0	0	0	56	15,587	735,855	684,101
Acquired software rights	194,876	15	18,178	- 1,130	0	1,087	213,026	94,317	100,596
Customer relationships	183,418	0	27,798	0	0	2,420	213,636	283,396	295,160
Trademark rights	27,764	0	2,431	0	0	387	30,582	12,552	14,496
Order backlog	19,534	0	535	0	0	59	20,128	178	713
Capitalized inhouse services	52,513	0	19,739	0	0	61	72,313	224,371	209,871
Prepayments on software	0	0	0	0	0	0	0	4,637	4,920

Internally generated software was tested for impairment leading to impairment losses of - 1,868 kEUR in financial year 2024. For further information on impairments, please refer to section E.31 Depreciation and amortization. Please refer to note E.26 b) Capitalized in-house services for further information on additions to the internally generated software item.

Development of intangible assets as at December 31, 2023:

	Purchase and manufacturing costs							
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Other additions	Investment Grants	Reclassi-fications	Disposals	Exchange rate differences	Dec 31, 2023
Intangible assets	1,735,070	57,064	48,879	- 1,746	0	- 20,279	- 15,495	1,803,493
Goodwill	657,763	51,368	0	0	0	- 3,084	- 6,415	699,632
Acquired software rights	290,735	4,723	3,909	0	203	- 1,565	- 2,533	295,472
Customer relationships	483,410	973	28	0	0	0	- 5,833	478,578
Trademark rights	42,783	0	5	0	0	0	- 528	42,260
Order backlog	20,280	0	0	0	0	0	- 33	20,247
Capitalized inhouse services	237,026	0	42,811	- 1,746	0	- 15,592	- 115	262,384
Prepayments on software	3,073	0	2,126	0	- 203	- 38	- 38	4,920

	Depreciation and amortization							Net book value	
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2023	Dec 31, 2023	Jan 1, 2023
Intangible assets	441,160	226	75,963	- 20,157	0	- 3,556	493,636	1,309,857	1,293,910
Goodwill	18,601	0	0	- 3,084	0	14	15,531	684,101	639,162
Acquired software rights	179,036	226	18,254	- 1,481	0	- 1,159	194,876	100,596	111,699
Customer relationships	158,028	0	27,823	0	0	- 2,433	183,418	295,160	325,382
Trademark rights	25,489	0	2,529	0	0	- 254	27,764	14,496	17,294
Order backlog	18,707	0	855	0	0	- 28	19,534	713	1,573
Capitalized inhouse services	41,299	0	26,502	- 15,592	0	304	52,513	209,871	195,727
Prepayments on software	0	0	0	0	0	0	0	4,920	3,073

The most significant changes in intangible assets relate to acquisitions (note C.4) and internally generated software (note E.1 e). All amortization and impairments of intangible assets are recognized in profit or loss.

b) Goodwill

Goodwill is attributable to the individual segments as follows:

kEUR	Jan 1, 2024	Changes in the scope of consolidation	Other additions	Disposals	Impairment	Reclassification	Exchange rate differences	Dec 31, 2024
AIS DACH	129,810	5,679	240	0	0	0	0	135,729
AIS Europe	135,449	36,764	0	0	0	0	-849	171,364
AIS Insight Health	31,723	0	0	0	0	0	0	31,723
AIS North America	149,479	1,252	0	0	0	0	9,564	160,295
HIS	186,279	0	0	0	0	0	-896	185,383
PCS	51,361	0	0	0	0	0	0	51,361
Total	684,101	43,695	240	0	0	0	7,819	735,855

The additions due to changes in the consolidation group relate to both business combinations by transferring shares in equity (share deals) and to business combinations through transfer of net assets (asset deals). The reclassification from the CHS segment is related to the adjustment of segment reporting as of January 1, 2024.

c) Goodwill impairment test

Goodwill is allocated to the individual cash-generating units or groups of cash-generating units for which synergies are expected to arise. Given the change in relation to Managing Directors and the adjusted internal reporting and management structure of CGM, the recoverability of goodwill will be monitored at the level of the operating segments from financial year 2024 onwards. The operating segments of CGM reflect the internal information layer structure, which is one level below the previously used structure of reportable segments, and it is the lowest level within the company at which goodwill is monitored for internal management purposes.

The discounted future cash flows of the operating segments, discounted by using the DCF method, are determined on the basis of the approved planning for 2025 for the net assets, financial position and results of operations and are then verified by using historical values. The results are then extrapolated for two additional years using bottom-up, multi-year planning that reflects the future development of the operating segments under current conditions. Following this three-year period, perpetuities are used for the remaining planning period, thereby applying a group-wide assumed growth rate of 1 %, save for AIS North America, where a growth rate of 1.5 % is applied. To determine the present value of future cash flows, a discount rate based on the weighted average cost of capital (WACC) is applied. The following table provides information on key assumptions used to compile corporate planning:

Notes on business planning assumptions

Description of key assumptions of corporate planning	Approach used to determine key assumptions of corporate planning
– Expected development of sales revenues (new customers, cross-selling opportunities, winning project tenders).	Group’s own estimates referring to past experiences and expected market trends, market potential analysis. External market studies are also used, if available.
– Expected enforceable price increases for existing customers in relation to software maintenance and other recurring revenues.	
– Application of current and historical organic growth rates for business units or business areas.	
– Consideration of regulatory changes affecting the development of business units.	
– Development of purchased services based on current circumstances (e.g., contractual basis, strategic business model) and the anticipated development of sales activities (expected revenue situation).	
– Expected development of personnel expenses and other operating expenses, based on demand analyses, contractual framework (e.g., collective bargaining agreements) and statistical procedures (e.g., inflation).	

Goodwill is tested for impairment on the basis of euro cash flows. For this purpose, the company planning of the individual group entities that is prepared in local currency is translated into euro and then allocated to the operating segment to be tested. The estimated future cash flows are derived from the planning approved by the responsible bodies. The assumptions underlying the main planning parameters take into account not only past experience but also aspects arising from the operating business.

The growth assumptions for 2025 and the continuation period 2026 to 2027 for calculating the value in use of the individual operating segments as at November 30, 2024 are as follows. The EBITDA margin for 2025 and for the continuation period resulting from the application of the planning assumptions is also listed in the table to increase transparency of the assumptions made. The EBITDA margin stated for 2026 to 2027 is calculated as an average value.

	Growth rate		EBITDA margin	
	2025	Average 2026 - 2027	2025	Average 2026 - 2027
AIS DACH	12.5 %	-3.0 %	17.6 %	17.9 %
AIS Europe	10.3 %	3.2 %	20.1 %	23.1 %
AIS North America	5.8 %	2.4 %	17.6 %	21.0 %
AIS Insight Health	11.4 %	5.5 %	21.6 %	21.9 %
PCS	10.4 %	2.0 %	22.1 %	25.4 %
HIS	11.4 %	3.7 %	3.7 %	11.6 %

The discount rates (WACC) used to calculate the value in use as at November 30, 2024 are as follows for WACC before tax and WACC after tax:

	WACC (before taxes) 2024	WACC (after taxes) 2024	WACC (before taxes) 2023	WACC (after taxes) 2023
AIS DACH	9.8 %	7.5 %	11.4 %	8.6 %
AIS Europe	9.7 %	7.9 %	11.9 %	9.2 %
AIS North America	9.2 %	7.5 %	11.6 %	8.7 %
AIS Insight Health	9.6 %	7.4 %	11.5 %	8.5 %
PCS	10.9 %	8.6 %	13.1 %	9.8 %
HIS	9.6 %	7.6 %	11.4 %	8.8 %

In financial year 2024, there was no need to recognize an impairment loss for any of the operating segments tested on the basis of value in use. The HIS operating segment reported the lowest surplus compared with the other operating segments at 2.9 mEUR. The surplus in the AIS North America operating segment was also low and amounts to 12.3 mEUR.

In the HIS operating segment, the value in use would correspond to the carrying amount if the WACC were 0.04 percentage points higher. If the EBITDA margin were to be reduced by 0.1 percentage points, the value in use would also equal the carrying amount. If the growth rate were to be reduced by 0.1 percentage points in perpetuity, the value in use would equal the carrying amount.

In the AIS North America operating segment, the value in use would correspond to the carrying amount if the WACC were 0.2 percentage points higher. If the EBITDA margin were to be reduced by 0.6 percentage points, the value in use would also equal the carrying amount. If the growth rate were to be reduced by 0.2 percentage points in perpetuity, the value in use would equal the carrying amount.

d) Acquired software, customer relationships, trademark rights and order backlog

Acquired software, customer relationships and trademark rights represent, in addition to goodwill, the main groups of intangible assets of CompuGroup Medical SE & Co. KGaA. The following table provides an overview of these intangible assets and their useful lives:

kEUR	Dec 31, 2024	Dec 31, 2023	Amortization until latest
Purchased standard and special software			
From acquisitions	88,146	93,480	
Cerner Corporation	19,916	23,538	Jun 30, 2030
INSIGHT Health Group	9,421	10,705	Apr 30, 2032
eMDs Group	32,267	34,746	Dec 31, 2035
VISUS Group	5,789	6,190	May 31, 2039
Other	20,753	18,301	
Other purchased standard and special software	6,171	7,116	
Total Standard and special software	94,317	100,596	

kEUR	Dec 31, 2024	Dec 31, 2023	Amortization until latest
Customer contracts			
GIS-Group	8,140	9,044	Dec 31, 2033
Epsilog	18,043	19,847	Dec 31, 2034
eMDs Group	58,619	60,323	Dec 31, 2035
Lauer-Fischer	7,382	8,019	Jun 30, 2036
INSIGHT Health Group	12,984	14,037	Apr 30, 2037
CGM Sweden	7,853	8,711	Jun 30, 2038
VISUS Group	14,075	15,051	May 31, 2039
KMS	10,385	11,097	Jul 31, 2039
Cerner Corporation	60,418	64,316	Jun 30, 2040
CGM US (formerly Visionary Group)	11,492	11,861	Aug 31, 2040
Other	74,005	72,854	
Total Customer contracts	283,396	295,160	

kEUR	Dec 31, 2024	Dec 31, 2023	Amortization until latest
Brands			
Cerner Corporation	1,520	1,796	Jun 30, 2030
VISUS Group	1,286	1,487	May 31, 2031
KMS	1,255	1,446	Jul 31, 2031
CGM LAB International	1,096	1,217	Dec 31, 2033
eMDs Group	6,157	6,941	Dec 31, 2035
Other	1,238	1,609	
Total Brands	12,552	14,496	

kEUR	Dec 31, 2024	Dec 31, 2023	Amortization until latest
Order backlog			
INSIGHT Health Group	178	713	Apr 30, 2025
Total Order backlog	178	713	

e) Internally generated software

In financial year 2024, in-house services (software development) of 31,724 kEUR were capitalized in accordance with IAS 38 (prior year: 40,139 kEUR). These were measured at directly attributable production costs. In accordance with the provisions of IAS 23, borrowing costs attributable to in-house services (software development) of 2,604 kEUR (prior year: 2,672 kEUR) were capitalized in financial year 2024. Impairments and amortization of capitalized in-house services amounted to 19,739 kEUR in the reporting year (prior year: 26,502 kEUR).

f) Intangible assets from business acquisitions

The following additions to acquired software, customer relationships, order backlog and trademark rights resulted from business combinations in the 2024 reporting period:

kEUR	Total	AmbulApps GmbH	Pridok AS	CPS Concept SAS	Other acquisitions
Software	6,206	1,657	4,246	0	303
Customer relationships	11,708	327	5,819	1,197	4,365
Trademark rights	84	84	0	0	0
Total	17,998	2,068	10,065	1,197	4,668

E.2 Property, plant and equipment

Overview of the development of property, plant and equipment as at December 31, 2024:

	Purchase and manufacturing costs						
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Other additions	Reclassi-fications	Disposals	Exchange rate differences	Dec 31, 2024
Property, plant and equipment	214,818	382	24,805	-9	-8,258	547	232,285
Land and buildings	93,113	102	931	2,817	-2,348	84	94,699
Other fixed assets and office equipment	109,505	280	18,306	200	-5,910	463	122,844
Assets under construction	12,200	0	5,568	-3,026	0	0	14,742

	Depreciation and amortization							Net book value	
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2024	Dec 31, 2024	Jan 1, 2024
Property, plant and equipment	106,413	256	18,176	- 6,663	0	304	118,486	113,799	108,405
Land and buildings	29,142	77	3,463	- 2,075	0	45	30,652	64,047	63,971
Other fixed assets and office equipment	77,271	179	14,713	- 4,588	0	259	87,834	35,010	32,234
Assets under construction	0	0	0	0	0	0	0	14,742	12,200

The disposals include 239 kEUR from reclassification to “assets held for sale”.

Overview of the development of property, plant and equipment as at December 31, 2023:

	Purchase and manufacturing costs						
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Other additions	Reclassi-fications	Disposals	Exchange rate differences	Dec 31, 2023
Property, plant and equipment	201,285	349	18,973	0	-5,606	-183	214,818
Land and buildings	92,843	13	1,144	0	-947	60	93,113
Other fixed assets and office equipment	98,879	336	15,096	96	-4,659	-243	109,505
Assets under construction	9,563	0	2,733	-96	0	0	12,200

	Depreciation and amortization							Net book value	
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2023	Dec 31, 2023	Jan 1, 2023
Property, plant and equipment	93,807	209	15,940	- 3,404	0	- 139	106,413	108,405	107,478
Land and buildings	26,697	0	2,645	- 215	0	15	29,142	63,971	66,146
Other fixed assets and office equipment	67,110	209	13,295	- 3,189	0	- 154	77,271	32,234	31,769
Assets under construction	0	0	0	0	0	0	0	12,200	9,563

The main changes in property, plant and equipment arise from investments in operating and office equipment (especially IT hardware) amounting to 15 mEUR and acquisitions (note C.4).

E.3 Right-of-use assets

The group mainly rents office space and the respective car parking spaces. The remaining terms of these leases are between one and ten years. All long-term leases concern sites that are to be retained in the longer term. As any asset retirement obligations under these leases are linked to early termination, it is currently not expected that the group will be required to honor them. Some of the property leases provide for rent increases that are linked to (price) indices. These were measured at the index level valid at the commencement date.

Leases have also been agreed for vehicles. They typically have a term of two to four years.

Leases for hardware, operating and office equipment are of minor importance. These leases typically have a term of three to five years; the underlying values in use accounted for about 2 % of the total value of the right-of-use assets on December 31, 2024.

Overview of the development of right-of-use assets as at December 31, 2024:

	Purchase and manufacturing costs						
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Other additions	Reclassi-fications	Disposals	Exchange rate differences	Dec 31, 2024
Right of use assets	122,287	0	24,620	0	- 21,793	501	125,615
Property and buildings - IFRS 16	92,749	0	10,359	0	- 13,743	515	89,880
Vehicles - IFRS 16	28,310	0	13,240	0	- 7,794	- 10	33,746
Other - IFRS 16	1,228	0	1,021	0	- 256	- 4	1,989

	Depreciation and amortization							Net book value	
kEUR	Jan 1, 2024	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2024	Dec 31, 2024	Jan 1, 2024
Right of use assets	64,993	0	24,792	- 17,423	0	277	72,639	52,976	57,294
Property and buildings - IFRS 16	51,828	0	14,947	- 10,294	0	282	56,763	33,117	40,921
Vehicles - IFRS 16	12,803	0	9,310	- 6,955	0	- 4	15,154	18,592	15,507
Other - IFRS 16	362	0	535	- 174	0	- 1	722	1,267	866

Overview of the development of right-of-use assets as at December 31, 2023:

	Purchase and manufacturing costs						
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Other additions	Reclassifications	Disposals	Exchange rate differences	Dec 31, 2023
Right of use assets	111,747	204	54,250	0	- 43,471	- 443	122,287
Property and buildings - IFRS 16	84,884	204	40,924	0	- 32,776	- 487	92,749
Vehicles - IFRS 16	26,205	0	12,298	0	- 10,227	34	28,310
Other - IFRS 16	658	0	1,028	0	- 468	10	1,228

	Depreciation and amortization						Net book value	
kEUR	Jan 1, 2023	Additions due to changes in scope of consolidation	Additions	Disposals	Transfers	Exchange rate differences	Dec 31, 2023	Dec 31, 2023	Jan 1, 2023
Right of use assets	58,336	0	23,896	- 17,035	0	- 204	64,993	57,294	53,411
Property and buildings - IFRS 16	44,759	0	15,407	- 8,143	0	- 195	51,828	40,921	40,125
Vehicles - IFRS 16	13,218	0	8,270	- 8,676	0	- 9	12,803	15,507	12,987
Other - IFRS 16	359	0	219	- 216	0	0	362	866	299

There is no external subleasing of rights-of-use or sale and leaseback transactions.

E.4 Financial investments

a) Investments in associated companies and joint ventures accounted for using the equity method

kEUR	Dec 31, 2024	Dec 31, 2023
Joint ventures:		
MGS Meine Gesundheit-Services-GmbH	0	0
Mediaface GmbH	50	50
Secure Farma DB S.r.l.	658	619
Solvena GmbH	0	270
Associated companies:		
AxiService Nice S.a.r.l.	0	0
Technosante Nord-Picardie SAS	8	8
R56+ Regionalmarketing GmbH & Co. KGaA	10	10
R56+ Management GmbH	0	0
MedEcon Telemedizin GmbH	13	13
Better@Home Service GmbH	0	1,559
New Line Ricerche di Mercato Società Benefit S.p.A.	13,795	12,720
Total	14,534	15,249

MGS Meine-Gesundheit-Services GmbH

MGS Meine-Gesundheit-Services GmbH (MGS) is a joint venture in which the group exercises joint control and holds a 50 % stake. MGS is the provider of MEINE GESUNDHEIT, the account for individual health management for people with private health insurance in Germany. With the foundation of this service in 2015, CGM and its joint venture partner laid the foundations for interconnecting all players in the healthcare sector.

The following table summarizes financial data on MGS Meine-Gesundheit-Services GmbH:

kEUR	2024	2023
Revenues	6,570	10,170
Depreciation and amortization	-4,057	-4,107
Interest expense	0	-338
Other expenses	-5,181	-11,194
Total result	-2,668	-5,469

kEUR	Dec 31, 2024	Dec 31, 2023
Current assets	1,764	3,148
thereof cash and cash equivalents	1,683	2,663
Non-current assets	5,795	9,475
Current liabilities	129	1,958
Non-current liabilities	14,000	14,000
Net assets (100%)	-6,570	-3,335
Group's share of net assets (50,1%)	-3,293	-1,251
Elimination of unrealized gains on downstream sales	-450	-437
Impairments	0	0
Carrying amount of the interest in joint venture at the end of the period	0	0

New Line Ricerche di Mercato Società Benefit S.p.A.

New Line Ricerche di Mercato Società Benefit S.p.A. (New Line) is an associated company in which the group holds a 40 % stake. With the investment in the Italian New Line, CGM has laid the foundation for gaining a foothold in international markets with innovative data solutions.

The following table provides summarized financial information for New Line Ricerche di Mercato Società Benefit S.p.A.:

kEUR	2023*	2022*
Revenues	10,397	8,972
Depreciation and amortization	-128	-141
Financial result	3	-6
Other expenses	-6,912	-5,600
Tax income/Tax expense (-)	-671	-605
Total result	2,689	2,620

kEUR	Dec 31, 2023*	Dec 31, 2022
Current assets	14,319	10,969
thereof cash and cash equivalents	477	888
Non-current assets	257	213
Current liabilities	1,824	1,213
Non-current liabilities	1,054	963
Net assets (100%)	11,698	9,006
Group's share of net assets (40%)	4,678	3,602
Goodwill	9,118	9,118
Carrying amount of the interest in associated company at the end of the period	13,795	12,720

** Current information was unavailable on the reporting date.*

Further disclosures as per IFRS 12 on other investments in associated companies and joint ventures accounted for using the equity method are not made as these companies are of minor significance.

b) Other equity investments

These investments are measured at fair value pursuant to IFRS 9, with the amortized cost representing a reasonable estimate of the fair value. This refers to the following investments:

kEUR	Dec 31, 2024	Dec 31, 2023
Qurasoft GmbH	530	530
Other	78	85
Total	608	615

E.5 Income tax receivables, income tax liabilities and deferred taxes

a) Income tax receivables and liabilities

kEUR	Dec 31, 2024	Dec 31, 2023
Income tax receivables	28,665	37,752
Benefit of tax losses to be carried back to recover taxes paid in prior periods	0	0
Income tax receivables	28,665	37,752
Income tax liabilities	27,833	48,899
Income tax liability	27,740	48,818
Other	93	81
Total	- 832	11,147

Income tax receivables (28,665 kEUR; prior year: 37,752 kEUR) comprise the group companies' current income tax receivables. Income tax liabilities (27,833 kEUR; prior year: 48,899 kEUR) essentially relate to current tax expenses less prepayments made (27,740 kEUR; prior year: 48,818 kEUR).

In some of the countries in which CGM operates, “Pillar Two” laws have been enacted or have become largely effective. The amendments are relevant for financial years beginning on or after January 1, 2024 and CGM falls within their scope. Therefore, CGM has made an assessment of the potential risk in relation to income taxes in connection with “Pillar Two”.

The assessment is based on the most recent tax returns, country-by-country reporting and the annual financial statements of the individual CGM companies. Based on the assessment, the effective tax rates under “Pillar Two” are above 15 % in most of the countries in which CGM operates. There is no indication of any circumstances that could change this. Consequently, CGM does not anticipate any risk from exposure to “Pillar Two” supplementary taxes.

b) Deferred tax receivables and liabilities

Deferred tax rates abroad range between 16 % and 28 % in financial year 2024 (prior year:16 % - 28 %).

Deferred taxes are calculated using the relevant tax regulations that are effective or enacted as at the end of the reporting period. Deferred tax receivables and liabilities are netted if there is a legally enforceable right to net these items and if the deferred tax receivables and liabilities relate to the same taxation authority.

The deferred tax assets and liabilities by consolidated statement of financial position item as at December 31, 2024 are shown in the table below:

	Jan 1, 2024		Recognized in profit or loss		Recognized in OCI		Acquisitions/Disposals		Dec 31, 2024	
kEUR	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1,053	127,874	- 172	6,846	0	0	2	- 2,800	883	131,920
Property, plant and equipment	2,955	1,190	- 1,247	- 890	0	0	0	0	1,708	300
Right-of-use assets	0	15,651	0	- 121	0	0	0	0	0	15,530
Inventories	7,235	21	1,057	- 21	0	0	0	0	8,292	0
Trade receivables	1,837	161	2,189	- 147	0	0	0	0	4,026	14
Finance lease receivables	0	6,093	77	- 97	0	0	0	0	77	5,996
Contract assets	32	6,960	- 11	1,147	0	0	0	0	21	8,107
Other assets	96	7,441	3,134	- 2,892	529	0	0	0	3,759	4,549
Equity	1,128	0	0	0	0	0	0	0	1,128	0
Provisions for post-employment benefits and other non-current provisions	3,099	48	182	- 42	91	0	0	0	3,372	6
Trade payables	1,053	15,906	- 847	- 1,419	0	0	0	0	206	14,487
Contract liabilities	6,973	44	- 1,645	40	0	0	0	0	5,328	84
Other provisions and liabilities	5,896	271	- 968	1,414	0	0	0	0	4,928	1,685
Leasing liabilities	15,444	0	46	3	0	0	0	0	15,490	3
Tax losses carried forward	44,484	0	- 2,258	0	0	0	0	0	42,226	0
	91,285	181,660	- 463	3,821	620	0	2	- 2,800	91,444	182,681
Offsetting of deferred tax assets against deferred tax liabilities	- 88,653	- 88,653	0	0	0	0	4,791	4,791	- 83,862	- 83,862
Total	2,632	93,007	- 463	3,821	620	0	4,793	1,991	7,582	98,819

The netting of deferred tax assets with deferred tax liabilities in the current reporting year results to 4,791 kEUR in the acquisitions/disposals column.

The deferred tax assets and liabilities by consolidated statement of financial position item for the comparative prior-year period as at December 31, 2023 are shown in the table below:

	Jan 1, 2023		Recognized in profit or loss		Recognized in OCI		Acquisitions/Disposals		Dec 31, 2023	
kEUR	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	2,211	110,458	- 1,158	17,416	0	0	0	0	1,053	127,874
Property, plant and equipment	1,964	446	991	744	0	0	0	0	2,955	1,190
Right-of-use assets	0	14,554	0	1,097	0	0	0	0	0	15,651
Inventories	8,842	52	- 1,607	- 31	0	0	0	0	7,235	21
Trade receivables	4,466	217	- 2,629	- 56	0	0	0	0	1,837	161
Finance lease receivables	0	5,764	0	329	0	0	0	0	0	6,093
Contract assets	0	4,693	32	2,267	0	0	0	0	32	6,960
Other assets	8	10,265	- 1,321	- 2,824	1,409	0	0	0	96	7,441
Equity	1,120	0	8	0	0	0	0	0	1,128	0
Provisions for post-employment benefits and other non-current provisions	2,964	3	- 323	45	458	0	0	0	3,099	48
Trade payables	130	8,848	923	7,058	0	0	0	0	1,053	15,906
Contract liabilities	12,659	512	- 5,686	- 468	0	0	0	0	6,973	44
Other provisions and liabilities	1,441	3,977	4,455	- 3,706	0	0	0	0	5,896	271
Leasing liabilities	5,949	5	9,495	- 5	0	0	0	0	15,444	0
Tax losses carried forward	12,349	0	32,135	0	0	0	0	0	44,484	0
	54,103	**159,794**	**35,315**	**21,866**	**1,867**	**0**	**0**	**0**	**91,285**	**181,660**
Offsetting of deferred tax assets against deferred tax liabilities	- 51,584	- 51,584	0	0	0	0	- 37,069	- 37,069	- 88,653	- 88,653
Total	2,519	108,210	35,315	21,866	1,867	0	- 37,069	- 37,069	2,632	93,007

c) Tax loss carryforwards

kEUR	Dec 31, 2024	Dec 31, 2023
Total losses carried forward	461,221	437,951
thereof tax deductible	207,285	229,437
thereof unused tax losses carried forward	150,723	115,899
thereof not usable for tax purposes	103,213	92,615

The recognized loss carryforwards of 207,285 kEUR (prior year: 229,437 kEUR) can currently be carried forward and used without limitation and refer to the USA (104,606 kEUR) and Germany (96,256 kEUR). 68,714 kEUR of the loss is attributable to Germany and relates to corporation tax and 27,542 kEUR to trade tax. Since the utilization of tax loss carryforwards is not currently anticipated within the scope of tax result planning, deferred tax assets have been recognized only to the extent of deferred tax liabilities.

As at the reporting date, tax loss carryforwards exist, which are not recognized due to unforeseeable usability. The current estimate may change in future years depending on the results of operations of the companies and tax legislation and may require an adjustment. No deferred tax assets were recognized on these tax loss carryforwards of 150,723 kEUR (prior year: 115,899 kEUR) due to the economic development, nor were they offset against deferred tax liabilities.

Because of their age structure, loss carryforwards of 103,213 kEUR (prior year: 92,615 kEUR) can no longer be utilized for tax purposes. The majority of the loss carryforwards not recognized and non-deductible (for tax purposes) originates from US subsidiaries.

Deferred taxes break down as follows in relation to their expected future usability:

	Deferred tax assets		Deferred tax liabilities	
kEUR	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Utilization expected within 12 months	6,100	0	18,575	18,204
Utilization expected after more than 12 months	1,482	2,632	80,244	74,803
Total	7,582	2,632	98,819	93,007

E.6 Inventories

kEUR	Dec 31, 2024	Dec 31, 2023
Software	1,381	759
Hardware	12,925	17,893
Accessories and other	739	705
Write-off on inventory	-338	-476
Total	14,707	18,881

The structure of the inventories item was adjusted in line with the internal reporting structure.

Impairments totaling 2,757 kEUR were recognized on inventories in financial year 2024 as inventories were measured at the lower of cost and net realizable value. The carrying amount of inventories measured at net realizable value amounts to 3,937 kEUR. Impairment on inventories was recognized through profit or loss under expenses for goods and services purchased.

There are no inventories pledged as security for liabilities.

E.7 Trade receivables

Trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. The consist exclusively of contracts with customers. Trade receivables are initially recognized at the amount of the unconditional consideration. If they contain significant financing components, they must instead be recognized at fair value. The CGM group does not have any trade receivables with a significant financing component.

a) Trade receivables

	Dec 31, 2024	Dec 31, 2023
kEUR	current	current
Trade receivables	189,514	198,328
Write-down	- 22,678	- 22,864
Total	166,836	175,464

Information on impairment of trade receivables is included in note G.6 Credit risk.

b) Trade receivables (regions)

kEUR	Dec 31, 2024	Dec 31, 2023
Trade receivables		
of which domestic	59,273	63,352
of which foreign	107,563	112,112
Total	166,836	175,464

E.8 Receivables from finance leases

Receivables from finance leases relate primarily to the following group companies, which offer hardware leases to their customers (including all peripheral devices) with terms of up to five years: Lauer-Fischer GmbH, CGM Clinical Österreich GmbH, CGM Arztsysteme Österreich, CGM Deutschland AG, CGM Denmark A/S, CGM Dentalsysteme GmbH, CGM Nederland B.V, CGM Italia SpA, Pharmaone S.r.l, CGM Xdent Software S.r.l., ATX Advanced Technology Explained NV, CGM Systemhaus GmbH and EPSILOG SAS. Income from these leases is reported in the income statement as revenues. The contracts are classified as finance leases.

The following table provides an overview of the maturities of future lease payments and the interest components of receivables from finance leases reported under trade receivables:

	2024			2023		
kEUR	Future minimum lease payments	Interest component	Present value of future leasing receivables	Future minimum lease payments	Interest component	Present value of future leasing receivables
< 1 year	10,709	1,640	9,068	10,393	1,786	8,607
1-5 years	15,886	1,799	14,087	15,914	1,700	14,214
> 5 years	125	4	121	93	2	91
Total	26,719	3,443	23,276	26,400	3,488	22,912

Receivables from finance leases were reduced by 185 kEUR (prior year: 184 kEUR) for expected credit losses. Information regarding the loss allowance for Receivables from finance leases in accordance with IFRS 9 is provided under note G.6 Credit risk.

E.9 Contract assets

Contract assets are broken down as follows:

	Dec 31, 2024	Dec 31, 2023
kEUR	current	current
Contract assets	31,577	27,318
Write-down	- 262	- 229
Total	31,315	27,089

Contract assets originate exclusively from contracts with customers. For information on impairment recognized as per IFRS 9, please see note G.6 Credit risk.

E.10 Other financial assets

Other financial assets are broken down as follows:

	Dec 31, 2024		Dec 31, 2023	
kEUR	current	non-current	current	non-current
Loans	0	5,532	519	6,810
Creditors with debit balances	2,361	0	4,466	0
Deposits	79	1,876	82	1,886
Receivables subsidies and investment grants	1,053	0	2,583	0
Other financial assets	498	368	522	202
Impairments	-71	-5,624	-376	-5,565
Total	3,920	2,152	7,796	3,333

Recognized impairments refer mainly to current and non-current loan receivables.

E.11 Derivative financial instruments

Derivative financial instruments are broken down as follows:

	Dec 31, 2024		Dec 31, 2023	
kEUR	current	non-current	current	non-current
Derivatives classified as Cash flow hedges	482	1,320	1,161	3,857
Derivatives without hedging relationship	0	6,987	0	12,983
Assets	**482**	**8,307**	**1,161**	**16,840**
Derivatives classified as Cash flow hedges	0	0	- 194	0
Liabilities	**0**	**0**	**- 194**	**0**
Total	482	8,307	967	16,840

Information regarding the interest rate cap (cf. derivatives without hedging relationship) and interest swap (cf. long-term derivatives classified as cash flow hedges) can be found under note G.8 Interest rate risk.

E.12 Other non-financial assets

Other non-financial assets are broken down as follows:

kEUR	Dec 31, 2024		Dec 31, 2023	
	current	non-current	current	non-current
Capitalized sales commissions	802	1,705	800	1,700
Input tax surplus receivables	7,175	0	3,889	0
Prepayments for future periods	23,057	0	21,568	0
Other	1,080	0	1,574	0
Total	32,114	1,705	27,831	1,700

In the 2024 financial statements, depreciation and impairment of the costs of obtaining a contract amounted to 802 kEUR (prior year: 800 kEUR) and were recognized in personnel expenses in the amount of 602 kEUR (prior year: 600 kEUR) and in cost of materials in the amount of 200 kEUR (prior year: 200 kEUR). Moreover, another amount of 802 kEUR (prior year: 800 kEUR) was capitalized for the costs of obtaining a contract as at December 31, 2024 in line with the development of the carrying amount.

E.13 Cash and cash equivalents

kEUR	Dec 31, 2024	Dec 31, 2023
Cash and cash equivalents	107,178	64,411
Restricted cash	150	50
Total	107,328	64,461

As at December 31, 2024, cash and cash equivalents include restricted cash held by subsidiaries in countries with restrictions on foreign exchange transactions. These are subject to legal transfer restrictions and are therefore not available to the group for general use. Such restrictions exist in South Africa and Norway.

Cash at banks refers to current accounts. Interest rates as at the reporting date on 31.12.2024 varied between 0.0 % and 2.80 %. Please see the statement of cash flows for information on changes in cash.

E.14 Assets qualified as held for sale

A sales contract for the disposal of the Turkish group company CompuGroup Medical Bilgi Sistemleri A.S. was signed in the fourth quarter of 2023. As the approval of the Turkish antitrust authorities was still outstanding on the reporting date of the prior year, the company was still included in the consolidation and its assets and liabilities are classified as “held for sale” in accordance with

IFRS 5. The fair value measurement of the assets and liabilities less disposal costs did not result in any impairment. The assets and liabilities were allocated to the former CHS and All other segments in 2023. The disposal was concluded in the first quarter of 2024, generating a gain of 4,605 kEUR that is recognized under Other operating income in the AIS segment.

In addition, a real estate property in Melfi, Italy was classified as held for sale. The property belongs to the AIS segment and has not been used in several years. In the second half of 2024, a prospective buyer expressed interest in purchasing the property, and preparations for the sale are currently underway. The disposal will presumably be concluded by the end of the first quarter of 2025. The fair value measurement resulted in expenses of 666 kEUR, which are recognized in the depreciation of property, plant and equipment.

The following assets are classified as “held for sale” in accordance with IFRS 5 as at December 31, 2024:

kEUR	Dec 31, 2024	Dec 31, 2023
Intangible assets	0	64
Property, plant and equipment	239	51
Right-of-use assets	0	49
Trade receivables	0	503
Other current financial assets	0	44
Other current non-financial assets	0	145
Total	239	856

E.15 Equity

a) Subscribed capital

The company's subscribed and authorized capital consists of:

EUR	Dec 31, 2024	Dec 31, 2023
Issued and fully paid ordinary shares		
53,735,576 nominal shares of € 1.00 each	53,734,576	53,734,576
Authorized capital		
26,094,449 nominal shares of € 1.00 each	26,094,449	26,094,449

(i) Issued and fully paid ordinary shares

The company has only one class of shares. These do not grant entitlement to a fixed dividend. Subscribed capital is divided into 53,734,576 no-par registered shares, having the securities ID number A28890 (ISIN: DE000A288904). Subscribed capital cannot be repaid.

(ii) Authorized capital

We refer to the explanations on authorized capital in the section Authorization of the general partner to issue and buy back shares in item 6. Takeover-related disclosures in the combined management report.

(iii) Contingent capital

We refer to the explanations on contingent capital in the section Authorization of the general partner to issue and buy back shares in item 6. Takeover-related disclosures in the combined management report.

b) Treasury shares

As at December 31, 2024, CompuGroup Medical SE & Co. KGaA held 2,000,000 (prior year: 1,500,000) treasury shares, representing 3.72 % of the share capital. The notional value attributable to the share capital amounts to 2,000,000 EUR (prior year: 1,500,000 EUR). The company's holding of treasury shares stems from the following acquisitions and disposals:

Financial year	Period of the buyback program / date of sale of treasury shares	Number of shares repurchased / sold	Interval acquisition cost / sale price in EUR	Weighted average acquisition cost / sale price per share in EUR
2021	February 26 to April 29, 2021	1,000,000	65.6039 to 76.1176	71.3530
2021	November 26 to December 30, 2021	403,878	65.7609 to 71.3793	67.9490
2022	January 3 to January 10, 2022	96,122	62.7451 to 71.7694	66.6764
2024	March 26 to April 26, 2024	500,000	27.8074 to 30.7274	29.2554
Total		2,000,000		

CompuGroup Medical SE & Co. KGaA is authorized by resolution of the Annual General Meeting of May 19, 2021 to acquire treasury shares up to a total of 10 % of the share capital existing at the time of the resolution or, if this amount is lower, of the share capital existing at the time this authorization is exercised. Please refer to the detailed information on Authorization to acquire and use (including cancellation of) treasury shares in item 6. Takeover-related disclosures in the combined management report.

c) Other reserves

Other reserves include, in addition to the capital reserve and other retained earnings, the revaluation reserve for actuarial gains and losses.

The changes in the CGM group's reserves under consolidated equity are as follows:

kEUR	2024	2023
Balance as at January 1	724,648	714,248
Consolidated net income for the period	34,600	45,916
Actuarial gains and losses	-1,343	-1,495
Dividend distribution	-51,735	-26,117
Stock options program	729	-4,155
Additional purchase of shares from non-controlling interests after control	-1,360	-3,775
Other changes	0	26
Balance as at December 31	705,539	724,648

The consolidated net income for the period (attributable to the shareholders of the parent company) of 34,600 kEUR (prior year: 45,916 kEUR) was recognized in reserves.

By way of resolution of the Annual General Meeting of May 22, 2024, a dividend of 51,735 kEUR (prior year: 26,117 kEUR) was distributed to the shareholders, which translates to a dividend of 1.00 EUR (prior year: 0.50 EUR) per dividend-bearing share.

Reserves (capital reserves, retained earnings and dividends on equity instruments) were decreased by the actuarial gain/loss of - 1,343 kEUR (prior year: - 1,495 kEUR).

By acquiring additional shares of non-controlling interests after having already held a majority interest, the reserves decreased by - 1,360 kEUR (prior year: - 3,775 kEUR).

The expenses for share options of the Managing Directors and Senior Management amounted to 729 kEUR (prior year: - 4,155 kEUR) and were recognized in reserves.

If a dividend is recommended, it will be conditional on shareholder approval at the Annual General Meeting in 2025; therefore, it is not recognized as a liability in the consolidated financial statements. The group will not experience any income tax effects as the result of a dividend. The amount of the dividend depends exclusively on the separate financial statements of CompuGroup Medical SE & Co. KGaA. The dividend to be proposed for financial year 2024 is 0.05 EUR per eligible share, which translates to a total amount of 2,587 kEUR. The total distribution amount stated above does not take into account any change in the number of shares entitled to dividends as a result of any further capital measures and share buybacks.

d) Currency translation

kEUR	2024	2023
Balance as at January 1	- 8,246	2,105
Currency conversion differences	16,218	- 10,340
Other changes	- 331	- 11
Balance as at December 31	7,641	- 8,246

Exchange differences from translating the functional currency of foreign operations into the group's reporting currency (EUR) are recognized in the consolidated financial statements directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences which were recognized earlier in the foreign currency translation reserve (translation of net assets of foreign operations) are reclassified to the income statement once a partial or complete sale of the corresponding operation has been performed.

e) Cash flow hedges

Changes in the fair value of derivatives designated as hedging relationships (cash flow hedges) adjusted for deferred taxes in the amount of 814 kEUR (prior year: 2,053 kEUR) changed equity by a total of - 1,900 kEUR (prior year: - 4,791 kEUR).

f) Non-controlling interests

Non-controlling interests by company

	Farloyalty S.r.l.		S'moove Software S.r.l.		4K S.r.l.		Total	
kEUR	2024	2023	2024	2023	2024	2023	2024	2023
Amount of shareholding	51%	51%	53%	53%	100%	80%	-	-
Voting interest	51%	51%	53%	53%	100%	80%	-	-
Equity of non-controlling interests	230	261	166	255	0	1,078	396	1,594
Dividends paid to non-controlling interests	279	211	0	0	0	0	279	211
Assets	1,863	1,567	732	959	0	8,337	2,595	10,863
Liabilities	1,372	1,009	360	399	0	2,993	1,732	4,401
Net income of the company	506	560	-189	336	0	2,622	317	3,518

Changes in non-controlling interests in financial year 2024

kEUR	2024	2023
Balance as at January 1	1,594	1,403
Share of profit for the year	160	956
Dividend distribution to non-controlling shareholders	- 279	- 211
Additional purchase of shares from non-controlling interests after control	- 1,079	- 554
Balance as at December 31	396	1,594

Acquisition of additional interests in subsidiaries

The CGM group carried out the following transactions with non-controlling shareholders in financial year 2024:

Acquisition of additional shares in 4K S.r.l., Italy

In November 2024, it was resolved to transfer another 20 % in 4K S.r.l. to CompuGroup Medical Italia Holding SpA. The purchase price amounted to 2,438 kEUR and has been paid in full as at the reporting date. CompuGroup Medical Italia SpA now holds 100 % of the shares in 4K S.r.l.

The effect of the change in the CGM group's interest in the equity attributable to shareholders of the parent company in financial year 2024 is as follows:

	2024	2023
kEUR	4K S.r.l.	4K S.r.l.
Book value of acquired non-controlling interests	1,079	554
Purchase price paid to non-controlling shareholders	2,438	4,329

E.16 Retirement plans and provisions for post-employment benefits and other non-current provisions

a) Defined benefit plans

The CGM group offers defined benefit plans in various countries with different characteristics.

Germany:

There are vested pension obligations for current and former employees in Germany, which are partially covered by reinsurance instruments. The pension obligations here comprise retirement and disability pensions as well as survivors' and death benefits, depending on specifics of the respective contract. The acquisition of the German Cerner portfolio in financial year 2020 also meant that obligations were assumed under Siemens pension plans (BSAV) and under partial retirement agreements already concluded. The majority of the employees taken over participate in the BSAV pension plan, which means that future benefits will be based primarily on nominal contributions and their investment income, as well as a guaranteed minimum interest rate. The BSAV plans are partially covered by assets and reinsurance in contractual trust arrangements (CTA).

Austria:

Severance payment provisions have been made for the majority of Austrian employees (in accordance with section 23 of the Angestelltengesetz (Austrian Salaried Employees Act) and section 2 of the Arbeiterabfertigungsgesetz (Austrian Employees Severance Pay Act)). These classify as post-employment benefits in accordance with IAS 19. These severance payment provisions refer to severance payments that eligible employees receive when they leave the company depending on the time they spent with the company or payments that their next of kin receive upon their death.

Switzerland:

Employees at the subsidiary CGM Schweiz AG are granted pensions financed by a pension fund consisting of employer and employee contributions and income generated on investments. Given the inclusion of the statutory minimum pension provision in accordance with Swiss law through Swiss occupational pension plans (BVG), the pension plan is recognized as a defined benefit plan. All benefits vest immediately. Under the legal requirements, the employer is required to pay employer contributions that enable the pension fund to finance the minimum level of provision. The pension fund is managed through a trust board comprising employee and employer representatives, which manages and monitors the benefit plan and asset investment.

Italy:

Obligations also exist in Italy within the scope of the TFR-Fund (Italian Civil Code Article 2120), which are considered as post-employment benefits in accordance with IAS 19. The TFR-Fund is equivalent to severance pay based on the years of service that eligible employees receive when they leave the company.

Other countries:

There are also obligations at other foreign subsidiaries for statutory programs in France, India and Poland. They have a similar structure to the obligations in Italy or Austria and should thus be considered as post-employment benefits in accordance with IAS 19.

Risks:

In general, the CGM group is exposed to the following actuarial risks with regard to the existing defined benefit plans:

- Longevity risk:
  The present value of the defined benefit obligation for the corresponding defined benefit plans is determined based on the best estimate of mortality of each beneficiary both during employment and after termination. An increase in the life expectancy of eligible employees leads to an increase in the plan liability.

- Salary risk:
  The present value of the defined benefit obligation for appropriate benefit plans is determined based on the expected future salaries of eligible employees. Accordingly, salary increases of eligible employees raise the defined benefit obligation associated with the plan.

- Inflation risk:
  An increase in the long-term inflation assumption would primarily affect the expected pension trend and the expected increase in pensionable salaries.

Risks arising from the payment of benefits to family members (surviving dependent benefits) of eligible employees are partially reinsured by an external insurance company.

Accounting and measurement

Provisions for post-employment benefits are accounted for using the current pension reports, all of which were compiled by external service providers (actuaries).

The following actuarial parameters were taken as a basis for determining the defined benefit obligation and related plan assets:

	Discount rate(s) in %		Expected rate(s) of salary increase in %		Pension growth rate(s) in %	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Germany	3.18%	3.44%	3.00%	3.00%	2.20%	2.21%
Austria	2.64%	3.13%	2.50%	3.00%	n/a	n/a
Switzerland	0.95%	1.60%	2.00%	2.60%	n/a	n/a
France	2.71%	2.84%	3.41%	3.47%	n/a	n/a
India	7.00%	7.50%	5.00%	9.20%	n/a	n/a
Italy	3.43%	3.65%	3.50%	3.50%	n/a	n/a
Poland	5.60%	5.40%	4.00%	7.00%	n/a	n/a

Domestic pension obligations are based on the mortality rates (based on the 2018 G Heubeck mortality tables).

The development of the defined benefit obligation in the year under review and the prior year is as follows:

kEUR	2024 Present value of pension commitment	2024 Fair value of plan assets	2024 Total	2023 Present value of pension commitment	2023 Fair value of plan assets	2023 Total
Balance as at 1 January	51,997	- 22,338	29,659	49,345	- 21,844	27,501
Current service costs	2,832	19	2,851	3,844	21	3,865
Interest income/cost	1,445	- 461	984	1,400	- 498	902
Past service cost, including losses/(gains) on curtailments	- 124	- 120	- 244	- 1,102	- 363	- 1,465
Components of defined costs recognized in profit or loss	**4,153**	**- 562**	**3,591**	**4,142**	**- 840**	**3,302**
Return on plan asset (excluding amounts included in net interests)	0	- 1,161	- 1,161	0	- 818	- 818
Actuarial gains and losses arising from changes in demographic assumptions	114	0	114	- 4	0	- 4
Actuarial gains and losses arising from changes in financial assumptions	1,147	0	1,147	801	0	801
Actuarial gains and losses arising from experience adjustments	1,334	0	1,334	1,971	0	1,971
Other effects	0	0	0	3	0	3
Components of defined benefit costs recognized in other comprehensive income	**2,595**	**- 1,161**	**1,434**	**2,771**	**- 818**	**1,953**
Changes from disposal of subsidiaries	0	0	0	0	0	0
Exchange rate differences on foreign pension plans	- 210	234	24	706	- 855	- 149
Benefits paid	- 3,877	2,018	- 1,859	- 4,444	2,709	- 1,735
Contributions from the employer	- 866	- 666	- 1,532	- 546	- 412	- 958
Contributions from plan participant	254	- 313	- 59	275	- 278	- 3
Reclassification	0	0	0	- 252	0	- 252
Other Reconciliation items and Payments	**- 4,699**	**1,273**	**- 3,426**	**- 4,261**	**1,164**	**- 3,097**
Balance as at 31 December	54,046	- 22,788	31,258	51,997	- 22,338	29,659

The annual cost of 3,591 kEUR (prior year: 3,302 kEUR) is recognized in personnel expenses of the CGM group. Defined benefit costs arising from the remeasurement of the net liability for defined benefit plans in the amount of 1,434 kEUR (prior year: 1,953 kEUR) were recognized in other comprehensive income.

The fair values of plan assets to secure the pension obligations are broken down as follows:

		Dec 31, 2024			Dec 31, 2023		
kEUR		with quoted market price	do not have quoted market price	Total	with quoted market price	do not have quoted market price	Total
Germany	Cash and cash equivalent	112	0	112	108	0	108
	Equity instruments (shares)	7,947	0	7,947	6,591	0	6,591
	Debt instruments (annuity bonds)	12	0	12	12	0	12
	Liability insurance	187	727	914	202	1,128	1,330
Switzerland	Other (Pension fund)	0	13,803	13,803	0	14,297	14,297
Total		8,258	14,530	22,788	6,913	15,425	22,338

The average weighted duration of the pension obligation is 27 years for India, 20 years for Poland, 16 years for France, 15 years for Switzerland, 13 years for Italy, 10 years for Austria and 4 years for Germany.

Changes in provisions for post-employment benefits in the last five years are shown in the following table:

kEUR	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024
Present value of pension commitment	24,966	32,298	57,479	49,345	51,997	54,046
Fair value of plan assets	- 3,908	- 5,683	- 22,673	- 21,844	- 22,338	- 22,788
Shortfall	21,058	26,615	34,806	27,501	29,659	31,258

A total of 3,694 kEUR (prior year: 3,837 kEUR) is expected to be paid into defined benefit pension plans in the coming financial year 2025 and recognized in profit or loss accordingly.

Sensitivity analysis

The primary actuarial assumptions used to determine the defined benefit obligation in the CGM group are the discount rate, expected salary increases and inflation expectations. The sensitivity analyses presented below are based on the best estimate of potential changes in the assumptions as at the reporting date of December 31, 2024. In the event of a change in one actuarial assumption in the sensitivity analysis, the other actuarial assumptions remain unchanged.

	Increase		Decrease	
	in %	kEUR	in %	kEUR
Impact of the discount rate on pension commitment	0.50%	- 2,176	0.50%	2,408
Impact of future salary increases on pension commitment	0.50%	719	0.50%	- 659
Impact of future pension development on pension commitment	0.50%	998	0.50%	- 895

For the above sensitivity analysis, it is unlikely that the scenario in question will occur in reality because it is likely that a change in one actuarial parameter assumption will correlate with others. The sensitivity analysis of the defined benefit obligations applies the same method used to calculate pension provisions recognized in the statement of financial position.

b) Defined contribution plans and state plans

On the basis of statutory or contractual provisions, contributions to the defined contribution plans are paid to state or private pension funds. Expenses recognized in profit or loss totaled 29,158 kEUR in financial year 2024 (prior year: 29,917 kEUR).

In financial year 2024, contributions in the amount of 20,624 kEUR (prior year: 19,755 kEUR) were paid to the German pension insurance.

c) Anniversary provisions

The anniversary provisions for the German companies (4,992 kEUR; prior year: 5,039 kEUR) are calculated with a discount rate of 3.1 % (prior year: 3.5 %). In addition, anniversary provisions for the Dutch companies (236 kEUR; prior year: 242 kEUR) are recognized with a weighted discount rate of 3.3 % (prior year: 3.6 %).

In accordance with the option in IAS 19, the interest component is not accounted as part of net interest result but as part of the operating cost. The calculation was based on the "2018 G" mortality tables by Professor Dr. Klaus Heubeck for the German anniversary provisions, and the "AG2024" guidance table for the Dutch; social security contributions are accounted for using a flat rate.

E.17 Financial liabilities (current and non-current)

The financial liabilities of the CGM group break down as follows:

	Dec 31, 2024		Dec 31, 2023	
kEUR	current	non-current	current	non-current
Liabilities to banks	31,045	794,444	6,252	704,168
Other loans	38	11	0	87
Total	31,083	794,455	6,252	704,255

In financial year 2024, new loans amounting to 115,000 kEUR (prior year: 480,000 kEUR) were taken out, while an amount of 1,116 kEUR (prior year: 504,211 kEUR) was repaid. Changes in the consolidation group did not lead to an increase in financial liabilities (prior year: 1,170 kEUR).

a) Liabilities to banks

Liabilities to banks break down as follows:

kEUR	Book value as at Dec 31, 2023	Interest rate as at Dec 31, 2024 in %	Currency	Due Year	Book value as at Dec 31, 2024	Fair value as at Dec 31, 2024
Syndicated loan 2023	130,000	4.21 %	EUR	2028	129,463	129,463
Promissory note	300,000	3.87 % - 4,96 %	EUR	2026-2030	299,464	291,538
EIB loan	200,000	2,75%	EUR	2028	200,000	200,000
Revolving multi-currency credit facility	0	3.91 % - 4.52 %	EUR	2027	115,000	115,000
Other unsecured bank loans and liabilities from interest	80,420	3,31 % - 3,96 %	EUR	2025-2028	81,562	81,562
Total	710,420		EUR		825,489	817,563

In October 2023, a promissory note loan with a total volume of 300 mEUR was placed successfully. The issue consists of five tranches with maturities of three, five and seven years. The three-year tranche carries a variable interest rate, while the other tranches were each issued with a fixed and variable interest. The variable interest rate is based on the 6-month EURIBOR plus a fixed margin.

In August 2023, the group took out a new syndicated term loan amounting to 200 mEUR with a term of just under five years. In October 2024, a previously unused facility of 70 mEUR was cancelled prematurely, meaning that the volume of the syndicated term loan amounted to only 130 mEUR at the end of 2024.

The revolving multi-currency credit facility of January 2020 amounting to 600 mEUR is still part of the company's financing instruments and is in force until January 2027. The syndicate of banks includes BNP Paribas, Commerzbank, Deutsche Bank, Landesbank Baden-Württemberg, SEB and Unicredit.

The interest rate of the two syndicated loans 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 December 31, 2024, 130 mEUR (prior year: 130 mEUR) of the syndicated term loan (130 mEUR) had been drawn subject to an interest rate of 4.21 %. An amount of 115 mEUR of the 600 mEUR revolving credit facility was utilized as at December 31, 2024 (prior year: 0 mEUR).

In July 2022, CGM had taken out a credit facility of mEUR 200 with a six-year term. This is a loan from the European Investment Bank that supports research and development initiatives related to the digitization of the healthcare sector.

Transaction costs in the amount of 365 kEUR were reversed in 2024 (prior year: 1,373 kEUR). Loan commitment fees of 2,403 kEUR (prior year: 2,284 kEUR) were incurred in 2024. In order to hedge interest rate risks, CGM concluded an interest rate cap with a notional volume of 400 mEUR and a remaining term to maturity until May 2031. In addition, an interest rate swap with a remaining term until July 2028 and a notional amount of 200 mEUR was concluded.

Various German group companies have issued joint and several payment guarantees for these loan agreements (default liability for nonpayment by CompuGroup Medical SE & Co. KGaA).

The granting of the two syndicated loans, the loan from the European Investment Bank and two further loans is tied to compliance with contractually agreed financial covenants (leverage ratio). The bank has the right to call in the aforementioned loans immediately if the leverage ratio (defined as net financial debt/adjusted EBITDA) exceeds 4.0 on a measurement date (end of each quarter).

In the current financial year 2024, CGM fully complied with all financial covenants.

b) Other loans

Other loans as at December 31, 2024 amounted to 49 kEUR (prior year: 87 kEUR). This item refers to loans that were granted in connection with investment grants in Italy.

c) Expected cash outflow for financial liabilities

kEUR	< 1 year	1-5 years	> 5 years	Total
Liabilities to banks	31,045	729,458	64,986	825,489
Other loans	38	11	0	49
Total	31,083	729,469	64,986	825,538

E.18 Lease liabilities (current and non-current)

The lease liabilities break down as follows:

	Dec 31, 2024		Dec 31, 2023	
kEUR	current	non-current	current	non-current
Liabilities Land and Buildings - IFRS 16	13,482	21,852	12,886	29,008
Liabilities Vehicles - IFRS 16	8,407	9,410	6,392	7,275
Liabilities Other - IFRS 16	581	722	328	546
Total	22,470	31,984	19,606	36,829

For further details, please refer to note D.16 Leases. The lease liabilities from companies acquired during financial year 2024 amounted to 0 kEUR.

Interest expenses amounted to 2,234 kEUR (previous year: 845 kEUR).

Outgoing cash flows for leases totaled 25,977 kEUR (prior year: 25,819 kEUR).

E.19 Purchase price liabilities (current and non-current)

	Dec 31, 2024			Dec 31, 2023		
kEUR	current	non-current	Total	current	non-current	Total
GHG business	2,017	9,318	11,335	0	7,710	7,710
INSIGHT Health GmbH	0	2,500	2,500	2,000	2,500	4,500
Innomed GmbH	0	0	0	223	0	223
Schuyler House Inc.	0	0	0	466	0	466
Meta-it GmbH	0	0	0	375	0	375
Pridok AS	3,358	7,968	11,326	0	0	0
AmbulApps GmbH	0	904	904	0	0	0
Other	979	295	1,274	899	0	899
Total	6,354	20,985	27,339	3,963	10,210	14,173

GHG business: The purchase contract provides for variable purchase price components that will be calculated on the basis of pre-defined revenue figures in the following years. The value of these earn out agreements totals about 11,335 kEUR and they have a remaining term until 2028.

INSIGHT Health group: In the third quarter of 2024, current purchase price liabilities of 2,000 kEUR resulting from the acquisition of 100 % of the shares in the INSIGHT Health group in 2022 were paid. The balance sheet further contains a non-current purchase price liability amounting to 2,500 kEUR that is expected to be paid in 2026.

Innomed Gesellschaft für medizinische Softwareanwendungen GmbH: In the first half of 2024, the outstanding purchase price for the 2023 profit share of 223 kEUR resulting from the exercise of the put option by the non-controlling shareholders in 2023 for the outstanding 9.9 % of shares in INNOMED Gesellschaft für medizinische Softwareanwendungen GmbH was paid. The exercise price is based on clearly defined revenue amounts and totals 2,817 kEUR.

Schuyler House Inc.: In the first half of 2024, contingent consideration of 350 kEUR resulting from the acquisition of 100 % of the shares in Schuyler House Inc. in 2020 was paid. The remaining current purchase price liability was reversed in the income statement.

Meta-it GmbH: In the first half of 2024, current purchase price liabilities of 375 kEUR were paid, resulting from the acquisition of 100 % of the shares in Meta-it GmbH in 2021.

Pridok AS: The purchase contract provides for withheld and variable purchase price amounts that are conditional on the degree to which various milestones are reached. The sum total of withheld purchase price amounts and earn outs is 11,326 kEUR.

AmbulApps GmbH: The purchase contract provides for variable purchase price components that will be calculated depending on the development of the customer base. The variable purchase price components have a value of 904 kEUR and a term until 2029.

The sensitivity analyses of the purchase price liabilities did not reveal any significant effects. Adjusted for exchange rate effects and payments made in the financial year, the changes were recognized in profit or loss.

E.20 Trade payables

kEUR	Dec 31, 2024	Dec 31, 2023
Trade payables	93,323	93,006

Trade payables all have a remaining term to maturity of up to one year. Trade payables from businesses acquired amount to 296 kEUR as at December 31, 2024.

E.21 Contract liabilities

Contract liabilities are broken down as follows:

	Dec 31, 2024		Dec 31, 2023	
kEUR	current	non-current	current	non-current
Contract liabilities	58,561	3,353	62,567	4,578

Contract liabilities originate exclusively from contracts with customers. The revenues recognized in 2024, which were included in the balance of contract liabilities at the beginning of the financial year, amount to 62,567 kEUR (prior year: 66,898 kEUR), of which 10,999 kEUR (prior year: 16,271 kEUR) relates to performance obligations that were fulfilled or partially fulfilled in earlier periods.

The acquisition of subsidiaries entailed the acquisition of contract liabilities amounting to 2,158 kEUR (prior year: 9 kEUR) in financial year 2024.

E.22 Other provisions

The development of short-term provisions for personnel and other provisions for financial year 2024 is as follows:

kEUR	Personnel expenses	Guarantee and sales commitments	External year-end accounting costs	Legal charges	Others	Total
Balance as at Jan 1, 2024	63,816	3,161	2,493	4,369	3,537	77,376
Exchange rate differences	138	7	- 2	0	7	150
Addition from first-time consolidation	59	0	0	0	1,415	1,474
Arising during the year	39,224	430	2,046	161	5,003	46,864
Utilized	- 55,534	- 1,264	- 1,790	- 1,164	- 2,430	- 62,182
Unused amounts reversed	- 4,054	- 129	- 177	- 2,652	- 418	- 7,430
Disposal (IFRS 5)	0	0	0	0	0	0
Balance as at Dec 31, 2024	43,649	2,205	2,570	714	7,114	56,252

The development of short-term provisions for personnel and other provisions for the prior-year period 2023 is as follows:

kEUR	Personnel expenses	Guarantee and sales commitments	External year-end accounting costs	Legal charges	Others	Total
Balance as at Jan 1, 2023	42,784	3,010	2,463	6,291	6,372	60,920
Exchange rate differences	-4	30	-4	-3	-12	6
Addition from first-time consolidation	1,813	111	53	0	2	1,979
Arising during the year	58,461	337	1,923	2,554	2,776	66,052
Utilized	-34,795	-297	-1,802	-3194	-5,266	-45,354
Unused amounts reversed	-4,140	-30	-135	-1260	-335	-5,900
Disposal (IFRS 5)	-303	0	-5	-19	0	-327
Balance as at Dec 31, 2023	63,816	3,161	2,493	4,369	3,537	77,376

Provisions for employee benefits primarily result from provisions for wages/salaries as well as bonuses/commission payments (2024: 27,074 kEUR; prior year: 28,588 kEUR). In addition, the item includes, among others, provisions for severance payments/restructuring (2024: 5,104 kEUR; prior year: 24,655 kEUR), holiday entitlements (2024: 9,905 kEUR; prior year: 8,985 kEUR) and overtime (2024: 1,566 kEUR; prior year: 1,588 kEUR) that are determined on the basis of the underlying hourly rates and social security contributions.

The guarantees/warranties item includes mainly contractually agreed obligations in connection with the quality and functioning of hardware components.

The provisions recognized for litigation costs in financial year 2024 mainly pertain to legal disputes with former employees in France and Germany.

Provisions for guarantees and litigation costs are, by their very nature, subject to higher levels of uncertainty. Other provisions exclusively relate to current provisions.

E.23 Other financial and non-financial liabilities

a) Other financial liabilities

Other financial liabilities break down as follows:

kEUR	Dec 31, 2024 current	Dec 31, 2024 non-current	Dec 31, 2023 current	Dec 31, 2023 non-current
Loans	38	11	0	87
Debtors with credit balances	5,946	0	4,094	0
Other financial liabilities	2,026	0	1,816	0
Total	8,010	11	5,910	87

b) Other non-financial liabilities

Other non-financial liabilities break down as follows:

kEUR	Dec 31, 2024 current	Dec 31, 2024 non-current	Dec 31, 2023 current	Dec 31, 2023 non-current
VAT, payroll tax	19,534	0	20,403	0
Guarantees	0	25	0	25
Liabilities from social security costs	4,325	0	3,866	0
Liabilities from wages and salaries	2,640	0	3,191	0
Other non-financial liabilities	902	0	81	0
Total	27,401	25	27,541	25

E.24 Liabilities associated with assets held for sale

The following liabilities were classified as “held for sale” in accordance with IFRS 5 as at December 31, 2023:

kEUR	Dec 31, 2024	Dec 31, 2023
Provisions for post-employment benefits and other non-current provisions	0	361
Contract liabilities	0	219
Trade payables	0	27
Other provision	0	258
Leasing liabilities current	0	28
Other non-financial liabilities	0	620
Total	0	1,513

E.25 Revenues

Revenues break down as follows:

kEUR	2024	2023
Software licenses	77,394	90,740
Software maintenance and other recurring revenues	853,905	813,967
Services	102,726	125,267
Hardware	63,500	98,568
Advertising, e-detailing and data	42,876	44,091
Other revenues	13,586	15,030
Total	1,153,987	1,187,663

Group revenues are essentially generated from contracts with customers within the meaning of IFRS 15. Other revenues that are not covered by the provisions of IFRS 15 (9,755 kEUR; prior year: 11,016 kEUR) refer to leases with customers.

Please refer to the segment report for a detailed breakdown of revenues in accordance with IFRS 15.114.

No information is provided on the remaining performance obligations as at December 31, 2024, which have an original expected duration of one year or less according to IFRS 15.

The total amount of the transaction price of the unfulfilled or partially unfulfilled performance obligations on the reporting date as at December 31, 2024 is 168,207 kEUR (prior year: 182,105 kEUR). Management expects that this will result in the recognition of the following amounts of revenues in the coming financial years:

	within 1 year kEUR	1 - 5 years kEUR
	90,019	78,188

E.26 Research and development expenses and capitalized in-house services

a) Research and development expenses

Research and development expenses include all costs arising in the course of software research and development activities. In financial year 2024, these costs amounted to 255,062 kEUR (prior year: 252,164 kEUR).

b) Capitalized in-house services

The capitalized in-house services of the CGM group consist of capitalized expenses for internally generated software in accordance with the criteria stated in IAS 38.

31,724 kEUR (prior year: 40,139 kEUR) were capitalized as internal development costs in financial year 2024. These are derived on the basis of the hours the company's own employees and external contractors worked on the projects and are then measured at the respective allocable cost rates. Internally generated software was tested for impairment leading to impairment losses of - 1,868 kEUR in financial year 2024 (prior year: - 11,453 kEUR). For further information on impairments, please refer to section E.31 Depreciation and amortization.

E.27 Other income

kEUR	2024	2023
Income from services performed	**1,597**	**2,043**
thereof rental income	393	769
thereof services related income	598	110
thereof investment grants	606	1,164
Remaining other operating income	**27,904**	**26,825**
thereof compensation received from damages	4,585	555
thereof income from disposals of business units and non-current assets	6,061	1,325
thereof revenues from valuation allowances/reversals	10,409	15,287
thereof other	6,849	9,658
Total	29,501	28,868

The income from compensation payments primarily includes income from the reimbursement of an insurance claim. The increase in income from the disposal of business units and non-current assets compared to the prior year is largely due to the disposal of CompuGroup Medical Bilgi Sistemleri A.Ş. in Turkey.

E.28 Expenses for goods and services purchased

kEUR	2024	2023
Software licenses	15,678	19,556
Software maintenance and other recurring revenues	124,797	114,607
Professional services	20,764	22,497
Hardware	45,258	52,386
Advertising, eDetailing and data	9,051	8,056
Other cost of goods	5,020	5,645
Total	220,568	222,747

Purchased services for software maintenance and other recurring revenues primarily relates to the cost of external service providers operating the customer service hotline and sales activities.

E.29 Personnel expenses and employees

a) Personnel expenses

kEUR	2024	2023
Salaries	453,105	453,968
Employer social security costs	95,322	95,779
of which net pension expenses – Benefits	3,591	3,302
of which net pension expenses – Contribution	29,158	29,917
Termination benefits	2,251	26,169
Other personnel expenses	13,037	14,498
Total	563,715	590,414

Acquisitions contributed 5,126 kEUR (prior year: 13,220 kEUR) to the increase in personnel expenses in financial year 2024. Contributions to domestic statutory pension insurance amounted to 20,624 kEUR in financial year 2024 (prior year: 19,755 kEUR).

b) Employees

The average number of the CGM group's employees in financial years 2024 and 2023 breaks down as follows:

	2024	2023 *
Full-time employees	7,506	7,861
Apprentices, dual students, etc.	187	256
Part time	1,080	1,139
Total	8,773	9,256

** Due to a change in the calculation method, the previous year's figures have been adjusted.*

The average number of employees in a managerial role within the CGM group amounts to 105 (prior year: 87). The Managing Directors were not counted.

E.30 Other expenses

Other expenses break down as follows:

kEUR	2024	2023
Outsourcing	81,184	78,688
Legal and consulting fees	17,536	19,986
Advertising/entertainment	9,472	9,038
Travel expenses	9,566	9,767
IT (software, maintenance etc.)	31,951	30,418
Company cars	9,597	10,080
Occupancy	12,012	11,850
Losses on disposal of fixed assets	212	290
Telephone costs	4,674	5,619
Office supplies	3,145	3,555
Insurances	3,085	2,863
Other	19,683	20,157
Total	202,117	202,311

After the conversion of CompuGroup Medical SE into a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) as at June 18, 2020, all previous Management Board members of CGM SE were appointed as Managing Directors of CompuGroup Medical Management SE. As at that date, their remuneration is no longer included in personnel expenses, but as external service under Other expenses.

E.31 Depreciation and amortization

Depreciation of property, plant and equipment breaks down as follows:

kEUR	2024	2023
Property and buildings	3,463	2,645
Other fixed assets and office equipment	14,713	13,295
Total	18,176	15,940

Depreciation of intangible assets breaks down as follows:

kEUR	2024	2023
Acquired software rights	18,178	18,254
Customer relationships	27,798	27,823
Trademark rights	2,431	2,529
Order backlog	535	855
Capitalized inhouse services	19,739	26,502
Total	68,681	75,963

Of this amount, 44,214 kEUR relates to amortization from purchase price allocations (prior year: 43,541 kEUR). Of the amortization of internally generated software, - 1,868 kEUR (prior year: - 11,453 kEUR) relates to impairment losses. The impairment relates to software in the AIS segment that was written off in its entirety. The functions of the software were replaced by newer solutions.

Depreciation of right-of-use assets breaks down as follows:

kEUR	2024	2023
Property and buildings - IFRS 16	14,947	15,407
Vehicles - IFRS 16	9,310	8,270
Other - IFRS 16	535	219
Total	24,792	23,896

E.32 Result from companies accounted for using the equity method

The results from companies accounted for using the equity method amount to 797 kEUR in financial year 2024 (prior year: 623 kEUR).

E.33 Financial income and financial expenses

a) Financial income

Financial income breaks down as follows:

kEUR	2024	2023
Currency gains	17	150
Interest income on loans	89	179
Interest income on cash at bank	879	729
Interest income on taxes	352	147
Income from the reversal of purchase price liabilities	569	1,494
Other	74	121
Total	1,980	2,820

Further information on derivatives not designated as hedging instruments is provided under note G.8 Interest rate risk.

b) Financial expenses

Financial expenses break down as follows:

kEUR	2024	2023
Bank interest	31,795	26,145
Change in value of derivatives without hedge accounting relationship	5,994	12,793
Capitalized borrowing costs on qualified assets	- 2,604	- 2,672
Transaction costs/loan commitment fees	2,768	3,658
Increase/change in purchase price liabilities	4,094	294
Interest on lease liabilities	2,234	845
Currency losses	0	3,088
Interest on taxes	1,937	17
Other	160	1
Total	46,378	44,169

c) Impairment losses on financial assets

Impairment losses on financial assets break down as follows:

kEUR	2024	2023
Write-offs on loans issued	0	564
Total	0	564

The write-downs on loans issued recognized in the prior year relate to a loan granted to the insolvent company scanacs GmbH.

E.34 Income taxes

Income taxes break down as follows according to their origin:

kEUR	2024	2023
Current income taxes	**27,889**	**33,339**
Germany	4,761	12,651
Other countries	23,128	20,688
Deferred taxes	**- 756**	**- 7,539**
Total	27,133	25,800

Current tax expenses include a tax expense of 2,382 kEUR for prior financial years (prior year: 10,482 kEUR). The deferred tax result includes effects from loss carryforwards of 2,254 kEUR (prior year: 32,130 kEUR), counteracted by temporary effects of - 1,498 kEUR (prior year: - 24,591 kEUR).

(Deferred) income taxes, which are recognized directly in other comprehensive income, break down as follows:

kEUR	2024	2023
Deferred taxes	- 620	- 1,867
Arising in connection with income and expenses recognized in other comprehensive income:	- 620	- 1,867
Remeasurement of defined benefit obligation	- 91	- 458
Cashflow hedges	- 814	- 2,053
Effects from currency translation	285	644
Deferred tax recognized in other operating income	- 620	- 1,867

The consolidated tax rate is used as a measure for group management and strategic planning. The consolidated tax rate is understood as the measure providing information on the (income) tax burden of the company. The consolidated tax rate is calculated by dividing the reported income tax expense by the result for the year before taxes. Consequently, the consolidated tax expense is the total amount of current and deferred taxes whereby the utilization of loss carryforwards, the use of tax credits and tax allowances and ensuring that deferred tax assets are not impaired have a favorable effect on the final consolidated tax rate.

The weighted average tax rate was 30 % (prior year: 30 %), which is equal to the corporate tax rate on taxable profits to be paid by CompuGroup Medical SE & Co. KGaA in Germany. Under German tax law, income taxes consist of corporation tax, trade tax and the solidarity surcharge for the former East Germany. The corporate tax rate for domestic companies in the CGM group is composed of corporation tax of 15 % (prior year: 15 %), the solidarity surcharge in the amount of 5.5 % on corporation tax (prior year: 5.5 % on corporation tax) and trade tax in the amount of 14 % (prior year: 14 %). For the foreign subsidiaries, the effective national tax rates are applied for the financial year.

The reconciliation between the statutory tax rate (nominal) and the actual tax rate is shown below:

	2024		2023	
kEUR		in %		in %
Earnings before taxes (EBT)	61,893		72,672	
Tax expense at a tax rate of 30%	18,568	30.00 %	21,802	30.00 %
Effects of differing national tax rates	1,840	2.97 %	- 2,717	- 3.74 %
Effects of changes in tax rates on deferred taxes	1,952	3.15 %	1,709	2.35 %
Effects from tax losses and offset options for which no deferred tax asset was recognized	8,721	14.09 %	4,096	5.64 %
Effects from the previously unrecognized and unused tax losses and offset options that are now recognized as deferred tax assets	- 5,924	- 9.57 %	- 28,258	- 38.88 %
Effects of non-tax-deductible expenses	15,727	25.41 %	15,690	21.59 %
Additions and disposals of deferred taxes recognised directly in equity	- 3,282	- 17.68 %	0	0.00 %
Effects of tax-free earnings	- 8,310	- 13.43 %	- 1,112	- 1.53 %
Tax expense from previous years (True-Up's)	- 3,078	- 4.97 %	3,303	4.55 %
Effects on tax expense from previous years due to tax audits	0	0.00 %	9,100	12.52 %
Effects from stock option programs	218	0.35 %	1,246	1.71 %
Other differences	701	1.13 %	941	1.29 %
Effective income tax expense	27,133	43.84 %	25,800	35.50 %

Effects on deferred tax assets not recognized on tax loss carryforwards and temporary differences result mainly from CompuGroup Medical Inc, USA, and eMDs Inc., USA as well as CompuGroup Medical SE & Co. KGaA, m.Doc GmbH, CGM Systemhaus GmbH, CompuGroup Medical France SAS.

The effects of non-deductible tax expenses include add-backs from the disposal of investments, from non-deductible interest expenses and from trade tax, all in Germany.

Tax-exempt reductions arise from the follow-up effects of tax audits and government grants.

The effects on tax income from prior years primarily relate to tax receivables in France.

Due to the high tax-related add-backs and significant unusable tax loss carryforwards, the effective tax rate increased to 43.84 %.

E.35 Earnings per share

	Dec 31, 2024	Dec 31, 2023
Consolidated net income for the period allocated to the parent company in kEUR	**34,600**	**45,916**
Number of ordinary shares	53,734,576	53,734,576
Treasury shares	2,000,000	1,500,000
Outstanding ordinary shares at closing date	**51,734,576**	**52,234,576**
Earnings per share (in EUR)		
– undiluted	0.67	0.88
– diluted	0.66	0.88

The (undiluted) earnings per share are calculated by dividing the consolidated net income for the year by the weighted average number of shares issued. The share options granted by the company lead to a dilution of earnings per share.

The time-weighted number of shares issued as at the reporting date, including share options, amounts to 52,784,581 (prior year: 52,455,287).

F. Segment reporting

For the definition of the business segments, the Managing Directors draw on internal reports that are also available to the Supervisory Board and analysts for their strategic decisions. In order to reflect regional differences of the healthcare industry with regard to organization and regulation, the reporting covers product and service-related financial data and regional information. For management purposes and resource allocation, the product and service-related structure is a decisive parameter and is divided into a total of four business segments.

In response to external market conditions (a change in the payment model from a one-time flat rate to a recurring reimbursement by the legislator to recognize the telematics infrastructure as an integral part of the software products used by doctors), CGM changed its management model for the 2024 financial year and also converted its internal management reporting. A key element of the former CHS segment was the telematics infrastructure business. The segment also included the data business. In the wake of the legally induced change, CGM has also reviewed the integration of insights from the data business into existing software products. Due to market trends (AI, etc.), the decision was made to manage the data business as an integral part of the AIS business.

In connection with this reorganization, CGM initially reassessed the operating segments, analyzing the business activities and how they are monitored by the Management Board using detailed financial information. This analysis resulted in 6 operating segments: AIS DACH, AIS North America, AIS Europe, AIS Insight Health, PCS and HIS. The operating AIS segments are combined into one reporting segment for the purposes of group reporting within the meaning of IFRS 8, since the business activities are similar in terms of the nature of the business activity and the financial effects (in particular the actual or expected profitability and future prospects) and they have similar economic characteristics.

For the purpose of assessing and evaluating the operating segments, the Managing Directors use the earnings indicator “earnings before interest, taxes, depreciation and amortization (EBITDA)”, which therefore represents the segment result.

The activities included under All other segments (IFRS 8.16) mainly comprise income and expenses from the software development department based centrally in Koblenz and corporate functions managed centrally from the Koblenz site (e.g., IT, Human Resources, Legal).

The column Consolidation shows the consolidation adjustments between the segments.

The segment information is based on the same reporting and measurement methods as the consolidated financial statements. The business relationships between the companies of the group's segments are generally based on prices that would also be agreed with third parties.

For further detailed information on segment reporting, please refer to the combined management report, section 1.1 Group business model.

Segment report

	Segment AIS Ambulatory Information Systems		Segment HIS Hospital Information Systems		Segment PCS Pharmacy Information Systems	
	2024	2023*	2024	2023	2024	2023
kEUR	01.01 - 31.12.	01.01. - 31.12	01.01 - 31.12.	01.01. - 31.12	01.01 - 31.12.	01.01. - 31.12
Revenues to third parties	**693,623**	**731,795**	**319,024**	**314,863**	**141,316**	**140,987**
thereof Software license	41,102	48,453	31,729	35,987	4,562	6,300
thereof Hardware	29,326	61,108	7,647	9,149	26,528	28,312
thereof Professional Services	38,585	51,610	51,713	59,913	12,417	13,738
thereof Software Maintenance & hotline	278,511	296,179	172,278	157,337	46,525	45,386
thereof Other recurring revenues	250,605	216,800	55,549	52,388	50,436	45,878
thereof Adverting, eDetailing and Data	42,587	43,624	0	5	289	461
hereof Other revenues	12,907	14,021	108	84	559	912
Point in time of revenue recognition						
at a specific point in time	49,310	79,572	15,433	18,051	28,179	31,022
over a period of time	644,313	652,224	303,591	296,812	113,138	109,965
	693,623	**731,796**	**319,024**	**314,863**	**141,317**	**140,987**
thereof recurring revenues	529,116	512,979	227,827	209,725	96,961	91,264
Revenues between segments	11,658	10,363	5,835	5,827	1,989	4,498
Segment Revenues	705,281	742,158	324,859	320,690	143,305	145,485
Capitalized inhouse services	12,438	19,401	13,151	14,466	6,135	6,272
Other income	20,205	9,998	10,380	7,598	5,790	5,476
Expenses for goods and services purchased	-142,720	-147,922	-68,154	-59,782	-38,119	-38,605
Personnel costs	-288,117	-303,335	-178,337	-181,606	-44,918	-49,085
Other expenses**	-139,623	-144,453	-69,400	-70,884	-23,027	-21,114
EBITDA	167,464	175,847	32,499	30,482	49,166	48,429
in % of revenues	24.1%	24.0%	10.2%	9.7%	34.8%	34.3%
Depreciation of property, plant and equipment and right-of-use assets						
Amortization of intangible assets						
EBIT						
Result from companies accounted for using the equity method						
Financial income						
Financial expenses						
Net impairment losses on financial assets						
EBT						
Income taxes for the period						
Consolidated net income for the period						
in % of revenues						

* In 2024, the former operating segment Consumer & Health Management Systems (CHS) was integrated into the Ambulatory Information Systems (AIS) segment, and some smaller profit centers were redistributed between the segments; therefore the prior-year figures were adjusted on the basis of the current organizational structure.
** Including net impairment losses on financial and contract assets.

Segment report

	All other segments		Consolidation		CGM Group	
	2024	2023*	2024	2023	2024	2023
kEUR	01.01 - 31.12.	01.01. - 31.12	01.01 - 31.12.	01.01. - 31.12	01.01 - 31.12.	01.01. - 31.12
Revenues to third parties	**24**	**18**	**0**	**0**	**1,153,987**	**1,187,663**
thereof Software license	0	0	0	0	77,393	90,740
thereof Hardware	0	0	0	0	63,501	98,569
thereof Professional Services	12	6	0	0	102,727	125,267
thereof Software Maintenance & hotline	0	0	0	0	497,314	498,902
thereof Other recurring revenues	0	0	0	0	356,590	315,066
thereof Adverting, eDetailing and Data	0	0	0	0	42,876	44,090
hereof Other revenues	12	12	0	0	13,586	15,029
Point in time of revenue recognition						
at a specific point in time	12	12	0	0	92,934	128,657
over a period of time	12	6	0	0	1,061,054	1,059,007
	24	**18**	**0**	**0**	**1,153,988**	**1,187,664**
thereof recurring revenues	0	0	0	0	853,904	813,968
Revenues between segments	13,873	10,525	-33,355	-31,213	0	0
Segment Revenues	13,897	10,543	-33,355	-31,213	1,153,987	1,187,663
Capitalized inhouse services	0	0	0	0	31,724	40,139
Other income	83,038	92,724	-89,912	-86,928	29,501	28,868
Expenses for goods and services purchased	-4,794	-6,980	33,219	30,542	-220,568	-222,747
Personnel costs	-52,909	-56,770	566	382	-563,715	-590,414
Other expenses**	-69,624	-64,515	89,482	87,217	-212,192	-213,749
EBITDA	-30,392	-24,998	0	0	218,737	229,760
in % of revenues					19.0%	19.3%
Depreciation of property, plant and equipment and right-of-use assets					-42,968	-39,835
Amortization of intangible assets					-68,681	-75,963
EBIT					107,088	113,962
Result from companies accounted for using the equity method					-797	623
Financial income					1,980	2,820
Financial expenses					-46,378	-44,169
Net impairment losses on financial assets					0	-564
EBT					61,893	72,672
Taxes on income for the period					-27,133	-25,800
Consolidated net income for the period					34,760	46,872
in % of revenues					3.0%	3.9%

* In 2024, the former operating segment Consumer & Health Management Systems (CHS) was integrated into the Ambulatory Information Systems (AIS) segment, and some smaller profit centers were redistributed between the segments; therefore the prior-year figures were adjusted on the basis of the current organizational structure.

** Including net impairment losses on financial and contract assets.

G. Other disclosures

G.1 Notes on cash and the cash flow statement

The CGM group prepares the consolidated cash flow statement in accordance with International Accounting Standard IAS 7 Statement of Cashflows. The CGM group discloses its cash flows in order to reveal the sources and uses of cash and cash equivalents. It distinguishes between cash flows from operating activities, investing activities and financing activities.

Cash and cash equivalents in the cash flow statement include cash on hand, checks, cash at banks and other financial assets with a remaining term to maturity of no more than three months and correspond to the amount of cash and cash equivalents reported in the statement of financial position as at the end of the period. Therefore, only short-term securities that are not subject to a significant risk of price fluctuations are carried in cash and cash equivalents. In addition, cash and cash equivalents include bank balances (150 kEUR), which are mainly classified as restricted cash due to capital export restrictions (see also note E.13 Cash and cash equivalents). Effects from currency translation of cash and cash equivalents are adjusted in the calculation and reported separately in the statement of cash flows.

Cash flow from operating activities is determined by first adjusting consolidated net income for the period for non-cash items such as depreciation, impairment, write-ups of intangible assets and property, plant and equipment while including changes in provisions and changes in other assets and liabilities and in net current assets.

Cash flow from investing activities relates to cash outflows for investments in intangible assets, property, plant and equipment, subsidiaries and other business units and investments accounted for using the equity method and jointly controlled entities. This item also includes cash inflows from the disposal of intangible assets, property, plant and equipment, subsidiaries and other business units.

Outflows for acquisitions of subsidiaries and other business units relate to business acquisitions shown in section C.4 b) Company acquisitions and disposals.

In the cash flows from financing activities we report both paid and received dividends, the repayment of debt and new borrowing, payments for the acquisition of non-controlling interests and other financing transactions and cash outflows for the principal portions of other loans. The change in financial liabilities in the reporting year was largely influenced by additional loans.

Income tax payments are already included in the consolidated net income for the period, which is the starting point for the calculation of cash flow from operating activities. Income taxes actually paid in the reporting period are disclosed as additional information below the statement of cash flows. The same applies to the reporting of interest paid and received.

kEUR	Dec 31, 2023	Cash flow from financing activities	Non-Cash: changes in scope of consolidation	Non-Cash: currency effects	Non-Cash: other effects*	Non-Cash: change of fair value	Dec 31, 2024
Liabilities to banks	710,420	113,884	0	0	1,185	0	825,489
Lease liabilities	56,435	- 25,977	0	- 251	24,247	0	54,454
Other loans	87	0	0	0	- 38	0	49
Total financial liabilities	766,942	87,907	0	- 251	25,394	0	879,992

* *Includes, among others, additions to leases, changes in other loans, accrued interest and transaction costs.*

The reconciliation shows changes in financial liabilities where the cash inflows and outflows are shown in the statement of cash flows under Cash flow from financing activities.

G.2 Capital management

The CGM group aims to strengthen its equity base sustainably and to generate an adequate return on capital invested. However, the group's accounting capital is only a passive risk control criterion, while the key performance indicators stated in the section Main financial indicators of the management report are active control elements.

The CGM group's capital structure is measured using financial liabilities less cash and cash equivalents in relation to consolidated equity. A detailed breakdown of consolidated equity can be found in the Statement of changes in equity or in note E.15 Equity.

Both the aims and the strategy of capital management are to maintain or optimize the financial covenants specified in the credit agreements in order to continue financing on unchanged or improved terms as well as to distribute an appropriate dividend.

The consolidated equity ratio according to the consolidated financial statements as at December 31, 2024 amounts to 33 % (prior year: 35 %), which is influenced in particular by

- the addition of consolidated net income attributable to shareholders of CGM (34,600 kEUR; prior year: 45,916 kEUR);
- the distribution of dividends (- 51,735 kEUR; prior year: - 26,117 kEUR);
- currency translation differences (16,218 kEUR; prior year: - 10,340 kEUR);
- actuarial gains and losses (- 1,343 kEUR; prior year: - 1,495 kEUR); and
- cash flow hedges (- 1,900 kEUR; prior year: - 4,791 kEUR).

The CGM group's capital structure as at December 31, 2024 breaks down as follows:

kEUR	Dec 31, 2024	Dec 31, 2023
Financial liabilities*	825,538	710,507
Cash and cash equivalents	107,328	64,461
Net liabilities	718,210	646,046
Equity**	648,310	669,272
Net debt to equity ratio	111%	97%

* *Financial liabilities are defined as current and non-current financial liabilities to banks (not including derivatives and financial guarantees) and other loans.*

** *Equity comprises all the group's capital and reserves (including non-controlling interests).*

The leverage ratio is described in the section Main financial indicators of the management report.

G.3 Financial instruments

a) Financial instruments by class and category

A financial instrument is a contract that simultaneously gives rise to a financial asset at one company and a financial liability or equity instrument at another company. Financial instruments are recognized when CGM becomes a party to the financial instrument.

The CGM group's financial instruments to be classified as financial assets consist of Cash and cash equivalents, Trade receivables, Other financial assets and Other investments.

Financial instruments to be classified as financial liabilities comprise Liabilities to banks, Purchase price liabilities, Trade payables and Other financial liabilities.

The fair value is not always available as a market value, which often necessitates a determination based on various measurement parameters. Depending on the availability of observable parameters and the relevance of these parameters for determining the fair value as a whole, fair value is assigned to Level 1, 2 or 3. The allocation to these levels is based on the principles referred to in section B.1 Principles for the preparation of the consolidated financial statements:

For financial instruments in the CGM group to be measured at fair value, the calculation was based on the market information available on the reporting date, using the following methods and assumptions:

– Financial instruments at fair value through profit or loss (FVtPL) are financial assets that do not meet the criteria of IFRS 9 for the categories at amortized cost (AC) or at fair value through other comprehensive income (FVOCI), or financial investments in equity instruments for which the FVOCI option was not applied upon initial recognition. As no companies in the CGM group have exercised this FVOCI option to date, investments with an ownership interest of less than 20 % are reported as Other investments. The acquisition cost measured at amortized cost represents an appropriate estimate of the fair value for recognizing other investments on the reporting date.

– Derivatives with no hedging relationships are measured at the fair value through profit or loss (FVtPL) method.

– Derivatives with hedging relationships are classified as cash flow hedges and measured at their fair value as at the reporting date.

All other financial assets and financial liabilities are carried at amortized cost based on the effective interest method.

– Financial assets in the at amortized cost category are assets held in order to collect the contractual cash flows which solely represent payments of principal and interest. Interest income from these financial assets is reported in financial income based on the effective interest method. Gains or losses from derecognition are recognized directly in the income statement and, together with foreign currency gains and losses, are reported under other gains/losses.

- Under financial assets, the CGM group reports Cash and cash equivalents, Trade receivables and Other financial assets. Given their short maturities, the carrying amounts of financial instruments classified as financial assets corresponds to the fair value of the proportion of short-term positions they contain.

- Financial liabilities in the CGM group are generally measured at amortized cost using the effective interest method and assigned to the measurement category at amortized cost (AC). The carrying amount of financial instruments reported as Trade payables or Other financial liabilities is almost the same as the fair value. The Liabilities to banks item under Financial liabilities is divided into fixed rate debt and variable rate debt. The estimates of the fair values of the Purchase price liabilities are based on contractually defined influencing factors, which condition the future payments and the expectations that the CGM group has with respect to these values (Level 3). The probability of achieving the defined targets and their timing is assessed. The assumptions made are reviewed at regular intervals.

- The fair value of fixed rate debt is calculated as the present value of the expected future cash flows, discounted using the interest rates (including CGM-specific margin) appropriate on the reporting date. The fair value of the variable rate debts corresponds approximately to the carrying amount.

The financial assets and liabilities from Receivables from finance leases, Derivatives classified as cash flow hedges and the financial liabilities from Lease liabilities do not fall into the classification categories under IFRS 9, but are reported under Financial instruments in the table below. Financial assets in Receivables from finance leases and Financial liabilities from lease liabilities are measured at amortized cost in accordance with the provisions of IFRS 16. These are included in the impairment after expected credit losses. The fair value is determined on the basis of a market interest rate and the average term of the leases.

The following table shows the carrying amounts and valuations of the group's existing financial instruments in accordance with the measurement categories under IFRS 9 as at December 31, 2024:

			IFRS 9 valuation			IFRS 16 valuation	
kEUR	Measurement category according to IFRS 9	Book value as at Dec 31, 2024	Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs	Fair value* as at Dec 31, 2024
Financial assets							
Cash and cash equivalents	AC	107,328	107,328	0	0	0	-
Trade receivables	AC	166,836	166,836	0	0	0	-
Other financial assets	AC	6,072	6,072	0	0	0	-
Finance lease receivables	n/a	23,091	0	0	0	23,091	-
Derivatives classified as Cashflow Hedges	n/a	1,802	0	0	1,802	0	1,802
Derivatives without hedge accounting	FVtPL	6,987	0	6,987	0	0	6,987
Other investments	FVtPL	608	0	608	0	0	608
Total financial assets		**312,724**	**280,236**	**7,595**	**1,802**	**23,091**	**-**
thereof Financial instruments at fair value through profit or loss	FVtPL	7,595	0	7,595	0	0	7,595
thereof Amortized costs	AC	280,236	280,236	0	0	0	-
Financial liabilities							
Liabilities to banks	AC	825,489	825,489	0	0	0	817,563
Purchase price liabilities	FVtPL	27,339	0	27,339	0	0	27,339
Trade payables	AC	93,323	93,323	0	0	0	-
Lease Liabilities	n/a	54,454	0	0	0	54,454	-
Derivatives classified as Cashflow Hedges	n/a	0	0	0	0	0	0
Other financial liabilities	AC	8,021	8,021	0	0	0	-
Total financial liabilities		**1,008,626**	**926,833**	**27,339**	**0**	**54,454**	**-**
thereof Financial instruments at fair value through profit or loss	FVtPL	27,339	0	27,339	0	0	27,339
Amortized costs	AC	926,833	926,833	0	0	0	-

* The table contains no information regarding the fair value of Cash and cash equivalents, Trade receivables, Other financial assets, Receivables from finance leases, Purchase price liabilities, Trade payables, Lease liabilities and Other financial liabilities. Their carrying amounts correspond approximately to their fair values.

The financial instruments by measurement category for the prior-year period ended December 31, 2023, are as follows:

kEUR	Measurement category according to IFRS 9	Book value as at Dec 31, 2023	IFRS 9 valuation			IFRS 16 valuation	
			Amortized costs	Fair value through profit or loss	Fair value through equity	Amortized costs	Fair value* as at Dec 31, 2023
Financial assets							
Cash and cash equivalents	AC	64,461	64,461	0	0	0	-
Trade receivables	AC	175,464	175,464	0	0	0	-
Other financial assets	AC	11,129	11,129	0	0	0	-
Finance lease receivables	n/a	22,727	0	0	0	22,727	-
Derivatives classified as Cashflow Hedges	n/a	5,018	0	0	5,018	0	5,018
Derivatives without hedge accounting	FVtPL	12,983	0	12,983	0	0	12,983
Other investments	FVtPL	615	0	615	0	0	615
Total financial assets		**292,397**	**251,054**	**13,598**	**5,018**	**22,727**	**-**
thereof Financial instruments at fair value through profit or loss	FVtPL	13,598	0	13,598	0	0	13,598
thereof Amortized costs	AC	251,054	251,054	0	0	0	-
Financial liabilities							
Liabilities to banks	AC	710,420	710,420	0	0	0	699,147
Purchase price liabilities	FVtPL	14,173	0	14,173	0	0	14,173
Trade payables	AC	93,006	93,006	0	0	0	-
Lease Liabilities	n/a	56,435	0	0	0	56,435	-
Derivatives classified as Cashflow Hedges	n/a	194	0	0	194	0	194
Other financial liabilities	AC	5,997	5,997	0	0	0	-
Total financial liabilities		**880,225**	**809,423**	**14,173**	**194**	**56,435**	**-**
thereof Financial instruments at fair value through profit or loss	FVtPL	14,173	0	14,173	0	0	14,173
Amortized costs	AC	809,423	809,423	0	0	0	-

* The table contains no information regarding the fair value of Cash and cash equivalents, Trade receivables, Other financial assets, Receivables from finance leases, Purchase price liabilities, Trade payables, Lease liabilities and Other financial liabilities. Their carrying amounts correspond approximately to their fair values.

As the market values of all concluded derivatives are positive, there is no potential for offsetting derivatives within the group as of the current reporting date.

b) Fair value of financial assets and liabilities (according to valuation hierarchies)

The financial assets and liabilities that are measured at fair value as at December 31, 2024 are as follows:

kEUR	2024	Level 1	Level 2	Level 3
Financial assets valuated at fair value				
Derivates classified as cash flow hedges	1,802	0	1,802	0
Derivatives without hedge accounting	6,987	0	6,987	0
Other investments	608	0	0	608
Total	9,397	0	8,789	608
Financial liabilities valuated at fair value				
Liabilities to banks	817,563	0	817,563	0
Purchase price liabilities	27,339	0	0	27,339
Derivates classified as cash flow hedges	0	0	0	0
Total	844,902	0	817,563	27,339

The financial assets and liabilities that are measured at fair value as at December 31, 2023 are as follows:

kEUR	2023	Level 1	Level 2	Level 3
Financial assets valuated at fair value				
Derivates classified as cash flow hedges	5,018	0	5,018	0
Derivatives without hedge accounting	12,983	0	12,983	0
Other investments	615	0	0	615
Total	18,616	0	18,001	615
Financial liabilities valuated at fair value				
Liabilities to banks	699,147	0	699,147	0
Purchase price liabilities	14,173	0	0	14,173
Derivates classified as cash flow hedges	194	0	194	0
Total	713,514	0	699,341	14,173

The valuation techniques used to determine level 2 and 3 fair values are the discounted cash flow method and option pricing models. Other investments are recognized at amortized cost as the best estimate.

c) Derivative financial instruments and hedge accounting

The following table shows the effects of cash flow hedging relationships in financial year 2024:

				Underlying transaction		Hedging instruments	
kEUR	Financial asset	Financial liability	Nominal value	Change in value used for calculating hedge ineffectiveness	Cash fow hedge reserve	Changes in the value of the hedging instrument recognised in OCI	Amount reclassified for realised hedging instruments to profit or loss*
Currency risks	482	0	12,680	155	438	- 155	- 374
Interest rate risks	1,320	0	200,000	- 1,284	771	1,284	- 3,469
Total	1,802	0	212,680	- 1,129	1,209	1,129	- 3,843

*Shown under financial expenses in the income statement.

The following table shows the effects of cash flow hedging relationships in financial year 2023:

				Underlying transaction		Hedging instruments	
kEUR	Financial asset	Financial liability	Nominal value	Change in value used for calculating hedge ineffectiveness	Cash fow hedge reserve	Changes in the value of the hedging instrument recognised in OCI	Amount reclassified for realised hedging instruments to profit or loss*
Currency risks	1,161	- 194	45,049	- 373	967	373	921
Interest rate risks	3,857	0	200,000	5,792	2,956	- 5,792	- 2,347
Total	5,018	- 194	245,049	5,419	3,923	- 5,419	- 1,426

*Shown under financial expenses in the income statement.

The following table shows the reconciliation of changes in equity caused by financial instruments for the current and previous year:

kEUR	2024	2023
As at Jan 1	3,923	10,768
Changes in Fair Value		
Foreign exchange risk	- 155	373
Interest rate risk	1,284	- 5,792
Contribution reclassified to profit or loss:		
Foreign exchange risk	- 374	921
Interest rate risk	- 3,469	- 2,347
As at Dec 31	1,209	3,923

CGM held the following financial instruments, to hedge against currency and credit risk:

	2024			2023		
	Maturity			Maturity		
	1 - 6 months	6 - 12 months	greater than one year	1 - 6 months	6 - 12 months	greater than one year
Currency risks						
Nominal value (in kEUR)	8,329	4,351	-	45,049	-	-
Average forward rate EUR : CHF	-	-	-	0,95	-	-
Average forward rate EUR : CZK	-	25,29	-	24,79	-	-
Average forward rate EUR : GBP	-	-	-	0,86	-	-
Average forward rate EUR : NOK	-	-	-	11,89	-	-
Average forward rate EUR : SEK	-	11,49	-	11,56	-	-
Average forward rate EUR : USD	1.10	-	-	1.09	-	-
Interest rate risks						
Nominal value (in kEUR)	-	-	200,000	-	-	200,000
Average interest rate secured	-	-	2.04%	-	-	2.04%

The financial assets and liabilities from currency risks and interest rate risks are reported in the balance sheet item Derivative financial instruments.

Due to the deviation in maturities between the hedged item and the hedging instrument, the derivative for the new interest rate swap concluded in 2022 was designated at the second term interest rate of the hedged item. Therefore, it was already completely effective from the point in time of designation onwards. As at the reporting date of December 31, 2024, all currency hedging relationships, with the exception of credit risk and forward components that are not material, are considered fully effective.

G.4 Net gains and losses on financial assets and liabilities

kEUR	2024	2023
Net gain/loss foreign currency translation (AC)	-33,578	-31,834
Net gain/loss from derivatives not designed as hedging instruments (FVtPL)	-9,519	-11,594
Total	-43,097	-43,428

The net gain/loss from foreign currency translation is recognized depending on its the origin in other income and other expenses or financial income and financial expenses. The effective portion of the net gain/loss from derivatives classified as cash flow hedges is recognized in other comprehensive income. If an ineffective portion of cash flow hedges were to be recognized, this would be recognized in profit or loss under financial income and financial expenses. Total interest income for financial assets amounted to 968 kEUR and total interest expenses to 34,563 kEUR.

The item Net impairment losses on financial and contract assets also includes impairments of receivables and contract assets in the amount of 8,899 kEUR (prior year: 8,738 kEUR), which are allocated to the category at amortized cost (AC).

G.5 Risks related to financial instruments

The CGM group is exposed, with respect to credit risks, price change risks and cash flow fluctuation risks on assets, liabilities and planned transactions, primarily to liquidity and credit risks as well as the risk of changes in foreign exchange rates and interest rates. Risks arising from the use of financial instruments are continuously monitored as part of risk management.

Currency and interest rate risks are partially minimized through the use of derivative hedging instruments. Derivative financial instruments are used exclusively for micro hedges of risks arising in the normal course of business. Derivative financial instruments are used exclusively for hedging purposes, never for speculative purposes, and are only concluded with established financial institutions whose risk profile is solid and is reviewed on a daily basis. CGM determines the existence of an economic relationship between the hedging instrument and the hedged item on the basis of currency, amount and timing of their respective cash flows. CGM uses the hypothetical derivative method to assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item. As they are considered to be immaterial, CGM does not recognize these separately.

Currency risks result from investments, financing measures and operational activities. CGM currently hedges only intercompany financial loans through derivative financial instruments in order to minimize intercompany currency risks. The hedging relationships used by CGM are presented in the consolidated financial statements as hedge accounting.

Interest rate risks mainly result from the group's financing. Currently, CGM uses derivative financial instruments to hedge long-term bullet loans against negative interest rate developments. These interest rate derivatives are partly designated as cash flow hedges and are contracted in order to fix or cap the amount of interest payments for variable-interest liabilities.

CGM strives to minimize related credit risks. Measures taken by the group to achieve this goal include the establishment of a dunning system. Furthermore, credit risks are avoided by agreeing prepayments for a significant share of the contracts relevant to recurring revenues. The maximum (earnings) risk resulting from financial instruments basically corresponds to the carrying amounts of the respective capitalized financial instruments.

For further detailed information on market risks, credit risks and liquidity risks, please refer to sections G.6 Credit risk, G.7 Currency risk, G.8 Interest rate risk and G.9 Liquidity risk in the notes to the consolidated financial statements.

G.6 Credit risk

The rules for recognizing impairment set forth in IFRS 9 are based on expected credit losses (“expected loss model”). A three-step model is provided for determining the extent of risk provisioning. A provision for expected credit losses is recognized in the statement of financial position for financial assets carried at amortized cost. For Trade receivables, Contract assets and Receivables from finance leases, the simplified approach is based on lifetime expected credit losses. Trade receivables, Receivables from finance leases and Contract assets were calculated on the basis of common risk characteristics to measure expected credit losses, taking into account the corresponding industry and country risks. For the calculation of the expected credit losses, historical loss rates are determined, which are adjusted on the basis of future macroeconomic data. Impairments for which the general approach must also be applied are of minor significance.

The group's credit risk arises primarily from trade receivables. Trade receivables result from contracts with customers. The amounts reported in the statement of financial position are net of impairment on expected future losses ("expected loss model"). Contract assets are essentially work in progress that has not been invoiced and that has the same risk characteristics as trade receivables due to the same types of contract.

The CGM group's procedure for calculating allowances for doubtful receivables is as follows:

For receivables not yet due and those past due by between 0 and 12 months, a write-down of 0.8 percentage points is recognized as the loss allowance for expected credit losses. An adjustment is made on the basis of individual creditworthiness (management judgement) for all receivables past due by between 13-24 months. All receivables past due by 24 months are written down in full. For receivables that are not paid within the agreed term, the internal company dunning process is triggered. We assume a risk of default in particular if the debtor/contractual partner is insolvent or our receivable is more than 12 months past due. Financial assets are derecognized if the receivable is uncollectible. If recoveries are made after a receivable is written off, these are recognized in profit or loss. The default rate is reassessed at each reporting date, taking into account the sector and country risks.

Allowances for Trade receivables, Contract assets and Receivables from finance leases were calculated on this basis. The CGM group therefore recognizes a loss allowance for expected credit losses of 0.8 percentage points on all financial assets from day one.

The table shows the gross carrying amounts as at December 31, 2024 representing the maximum credit risk:

kEUR	0-12 months overdue (0.8 %)	13-24 months overdue (individual)	more than 24 months overdue (100 %)
Trade receivables	159,142	15,626	14,747
Contract assets	31,577	0	0
Finance lease receivables	23,276	0	0
Total	213,995	15,626	14,747
Credit-impaired assets (individually assessed)	- 1,025	- 5,642	- 14,747
Loss allowances for expected credit losses	- 1,712	0	0
Total	- 2,737	- 5,642	- 14,747

The table shows the gross carrying amounts as at December 31, 2023:

kEUR	0-12 months overdue (0.8 %)	13-24 months overdue (individual)	more than 24 months overdue (100 %)
Trade receivables	169,200	14,744	14,385
Contract assets	27,318	0	0
Finance lease receivables	22,912	0	0
Total	219,430	14,744	14,385
Credit-impaired assets (individually assessed)	- 1,722	- 5,417	- 14,385
Loss allowances for expected credit losses	- 1,755	0	0
Total	- 3,477	- 5,417	- 14,385

The table shows the development of the loss allowance for Trade receivables, Contract assets and Receivables from finance leases from December 31, 2023 to December 31, 2024.

kEUR	Trade Receivables	Contract Assets	Finance Lease Receivables
Opening balance of write-down as at Jan 1, 2024	- 22,864	- 229	- 184
Loss allowances for expected credit losses	77	- 33	- 1
Arising during the year	- 21,413	0	0
Utilized	3,409	0	0
Unused amounts reversed	18,113	0	0
Write-down as at Dec 31, 2024	- 22,678	- 262	- 185

kEUR	Trade Receivables	Contract Assets	Finance Lease Receivables
Opening balance of write-down as at Jan 1, 2023	- 20,533	- 213	- 203
Loss allowances for expected credit losses	136	- 16	19
Arising during the year	- 21,523	0	0
Utilized	1,857	0	0
Unused amounts reversed	17,199	0	0
Write-down as at Dec 31, 2023	- 22,864	- 229	- 184

The CGM group has no significant concentration of credit risk as it is spread across a large number of contracting parties and customers.

Impairment losses on Trade receivables and Contract assets are shown in the operating result as impairment losses. Amounts generated in subsequent periods that were previously written down are recognized in the same item.

The loss of major customers in the hospitals, laboratories and pharmaceuticals business can have an adverse effect on the liquidity of the group. The tendering procedures for major customers and project business are closely monitored to detect and address changes in the market.

The maximum credit risk of investments in equity instruments at the reporting date equals the carrying amounts of all investments below 20 %, which have been classified accordingly.

Cash and cash equivalents bear only limited risks as these are due in the short term and are held with banks that have been given high credit ratings by international rating agencies.

The following table shows a summary of cash and cash equivalents by classification from the major international rating agencies as at the reporting date:

kEUR	Dec 31, 2024	Dec 31, 2023
AA+	6,731	0
AA	929	0
AA-	35,163	31,381
A+	32,315	9,321
A	281	4,098
A-	9,073	8,830
BBB+	9,741	501
BBB	5,160	3,124
BBB-	2,462	0
BB+	0	1,062
BB	0	0
BB-	4,753	5,444
B-	0	405
Not rated	720	295
Total	107,328	64,461

G.7 Currency risk

The market success and gross sales revenues of exporting companies are influenced by fluctuating exchange rates. In 2024, approximately 79 % of revenues were denominated in euro (prior year: 78 %) and approximately 21 % of revenues were denominated in foreign currencies (prior year: 22 %).

The carrying amount of the group's monetary assets and liabilities denominated in foreign currencies is as follows:

	Assets		Liabilities	
kEUR	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
US Dollar	54,355	60,056	21,523	20,222
Polish Zloty	9,683	19,652	2,881	6,410
Swedish Krona	7,421	9,298	2,596	5,091
Swiss Franc	6,056	3,262	2,402	3,027
South African Rand	5,375	5,387	564	535
Danish Kroner	5,102	4,819	2,158	1,911
Czech Crowns	4,971	6,522	1,895	2,072
Indian Rupee	2,530	1,861	2,506	1,841
Norwegian Kroner	2,145	3,720	929	1,198
British Pound	205	25	20	17
Romanian Leu	106	109	1,981	2,437
Turkish Lira	0	405	0	0

a) Effects from the sensitivity analysis on net income in the event of a ten percent rise or fall in the euro against the respective foreign currency:

The following table shows the sensitivity of a ten percent rise or fall in the euro against the respective foreign currency from the perspective of the group. The assumption of a ten percent change represents management's best estimate of a rationally possible change in the exchange rate. The sensitivity analysis only includes outstanding monetary items denominated in foreign currencies and adjusts their translation in accordance with a ten percent change in exchange rates.

	Currency impact net income					
	2024			2023		
kEUR	+/- 0 percent	+10 percent	-10 percent	+/- 0 percent	+10 percent	-10 percent
Swedish Krona	-8,935	-9,829	-8,042	-7,462	-8,208	-6,716
Swiss Franc	6,009	6,610	5,408	2,394	2,633	2,155
Danish Kroner	-5,491	-6,040	-4,942	-4,495	-4,945	-4,046
Czech Crowns	-2,917	-3,209	-2,626	-3,099	-3,409	-2,789
Polish Zloty	-2,871	-3,158	-2,584	-2,289	-2,518	-2,060
US Dollar	-2,388	-2,627	-2,150	-10,487	-11,536	-9,438
South African Rand	-1,009	-1,110	-908	3,704	4,074	3,334
Indian Rupee	-912	-1,004	-821	-2,401	-2,641	-2,161
Romanian Leu	-672	-739	-605	-863	-949	-777
Norwegian Kroner	-231	-254	-208	-1,774	-1,951	-1,597
Turkish Lira	-20	-22	-18	-1,502	-1,652	-1,352
British Pound	-13	-14	-12	-158	-173	-142
Russian rouble	0	0	0	98	108	88

b) Effects from the sensitivity analysis on equity in the event of a ten percent rise or fall in the euro against the respective foreign currency:

	Currency impact equity					
	2024			2023		
kEUR	+/- 0 percent	+10 percent	-10 percent	+/- 0 percent	+10 percent	-10 percent
US Dollar	-312,282	-343,510	-281,054	-284,797	-313,277	-256,317
Swedish Krona	-56,812	-62,494	-51,131	-56,243	-61,867	-50,619
Norwegian Kroner	-21,866	-24,052	-19,679	-24,928	-27,421	-22,435
Danish Kroner	-14,422	-15,864	-12,980	-13,035	-14,339	-11,732
Swiss Franc	12,050	13,255	10,845	5,033	5,536	4,530
Indian Rupee	-8,714	-9,585	-7,842	-7,491	-8,240	-6,742
Polish Zloty	-8,018	-8,820	-7,216	-7,637	-8,401	-6,873
South African Rand	4,908	5,399	4,417	7,310	8,041	6,579
Czech Crowns	-4,379	-4,817	-3,941	-4,524	-4,976	-4,072
Romanian Leu	-3,116	-3,428	-2,805	-2,444	-2,688	-2,200
British Pound	137	151	123	144	158	129
Turkish Lira	0	0	0	253	278	228

G.8 Interest rate risk

The CGM group's interest rate risk arises from long-term borrowings with variable interest rates. Liabilities to banks amount to 825 mEUR as at December 31, 2024. In order to hedge interest rate risks, CGM concluded an interest rate cap in 2021 with a notional volume of 400 mEUR and a remaining term to maturity until May 2031. In addition, an interest rate swap with a remaining term until July 2028 and a notional amount of 200 mEUR was concluded in October 2022.

Where required, the CGM group uses relevant financial instruments to hedge against interest rate increases in order to counter interest rate risks. The effects of interest rate fluctuations are explained in more detail below. Borrowings with fixed interest rates are not included in this analysis.

The CGM group's expected future interest payments are shown below:

	2024			2023		
kEUR	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Liabilities to banks	30,494	80,543	2,919	28,867	100,991	5,742
Lease liabilities	1,813	2,063	363	929	1,541	364
Other loans	0	0	0	3	3	0
Purchase price liabilities	28	170	0	0	0	0

If the variable interest rate (here 3-month EURIBOR and 6-month EURIBOR) in the interest rate sensitivity analysis is changed by + 100 basis points/ - 100 basis points, this has an impact on the effective interest payments to be made of 5,973 kEUR/ - 20,096 kEUR.

G.9 Liquidity risk

To ensure that financial obligations can be met on an ongoing basis, the CGM group has negotiated adequate promissory note loans, syndicated loans and bilateral credit lines. As at December 31, 2024, the group has short-term credit lines not yet exhausted of 85 mEUR and a revolving credit facility of 485 mEUR not yet fully utilized.

Liquidity risk differs between the countries in which the CGM group operates. In the companies operating in Germany, liquidity is generally supplied via direct debit agreements, which minimizes the liquidity risk. The same applies to companies operating in countries where direct debit is the predominant payment method.

Cash-pooling arrangements exist for parts of the group. These arrangements ensure that sufficient liquidity is available in the individual companies as needed. Cash pooling is managed centrally at the group's headquarters in Koblenz. For areas of the group which have no cash-pooling arrangements, liquidity levels are managed by means of medium-term cash requirement planning. Cash held by group companies (not including cash-pooling arrangements) that exceeds the level of working capital required is generally transferred to the group's cash management on a monthly basis.

Debt financing is largely secured by the syndicated loan, the promissory note loans and the EIB loan. Risk concentrations in refinancing are identified promptly through continuous monitoring and reporting. Further information is available in the management report under 2.3.2.3 Capital structure and 2.3.2.5 Liquidity and in the notes to the consolidated financial statements under note E. 17 a) Liabilities to banks.

The following tables show the contractual remaining terms to maturity of the CGM group's financial liabilities. The tables are based on undiscounted cash flows of financial liabilities. They include the payments of both interest and principal. Where interest payments are based on variable parameters, the undiscounted amount was determined on the basis of the yield curves at the end of the reporting period. The contractual maturities are based on the earliest date on which the group can be required to make payments.

	2024			2023		
kEUR	< 1 year	1–5 years	> 5 years	< 1 year	1–5 years	> 5 years
Liabilities to banks	61,539	809,592	67,904	35,119	740,192	70,709
Lease liabilities	22,470	27,325	4,659	20,535	31,803	6,931
Other loans	38	11	0	3	90	0
Other financial liabilities	7,972	0	0	5,910	0	0
Trade payables	93,323	0	0	93,006	0	0
Purchase price liabilities	6,022	27,057	0	3,963	10,210	0
Derivatives classified as Cashflow Hedges	0	0	0	194	0	0

G.10 Contingent liabilities

The following table provides information on the CGM group's existing contingent liabilities:

	Maximum liability		Liability reserves	
kEUR	2024	2023	2024	2023
Guarantees for warranties and contract execution	11,986	10,957	0	0
Guarantees	817	817	0	0
Other	2,773	196	0	0
Total	15,576	11,970	0	0

There are no major purchase commitments from operating activities. The warranty and contract performance guarantees consist mainly of guarantees for sureties referring in particular to contract performance and rent deposits of CGM SE & Co KGaA in the amount of 11,460 kEUR. Compugroup Medical Solutions SAS, Imagine Editions SAS and EPSILOG SAS are based in France and received tax refunds in 2023 totaling 2,567 kEUR. The tax refunds resulted from a research and development grant in France. For the years 2020 and beyond, the external tax audit determined that the criteria for claiming the grant were not met. Legal action has been filed with the respective competent courts against the actions taken by the tax authorities. It cannot be ruled out that the tax authorities will assess the situation for 2023 in the same manner, potentially requiring CGM to file a corresponding lawsuit.

It cannot be ruled out entirely that the law suit will be lost, although CGM expects to be successful in court. Contingent liabilities of 2,567 kEUR are included in the Other item. Disclosures in accordance with IAS 37.86 have been omitted due to reasons of practicality.

G.11 Disclosures on related parties

During the financial year, group companies entered into the following transactions with related parties outside the consolidated group.

These were conducted under conditions which are equivalent to those applied to third parties to stay in accordance with the arm's length principle.

In addition, the following amounts were outstanding at the end of the reporting period:

	Sale of goods		Purchase of goods		Receivables		Liabilities	
kEUR	2024	2023	2024	2023	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Frank Gotthardt	0	0	0	0	0	0	0	0
Dr. Brigitte Gotthardt	0	0	0	0	0	0	0	0
Prof. (apl.) Dr. med. Daniel Gotthardt	0	0	0	0	0	0	0	0
CompuGroup Medical Management SE	16	11	9,475	9,813	0	249	232	0
further Administrative Board	0	0	3	0	0	0	0	0
further related companies	2,479	2,608	3,530	25,693	86	443	11,408	7,857
Associated companies and joint ventures	6,631	13,230	801	169	456	1,460	1	0

Payments amounting to 9,475 kEUR (prior year: 9,813 kEUR) were made to the personally liable company CompuGroup Medical Management SE, which is controlled by Frank Gotthardt via GT 1 Vermögensverwaltung GmbH, in the reporting year for remuneration of the Managing Directors, the Administrative Board and other expense allowances.

Furthermore, Frank Gotthardt directly and indirectly holds a significant shareholding in CompuGroup Medical SE & Co. KGaA as at December 31, 2024 via GT 1 Vermögensverwaltung GmbH and is considered a controlling party. As a result, in addition to the associated companies stated in the list of shareholdings, also all companies having a corporate relationship with Frank Gotthardt, Dr. Brigitte Gotthardt or Professor Dr. (apl.) med. Daniel Gotthardt are considered to be related parties of CompuGroup Medical SE & Co. KGaA.

Other related persons:

Remuneration paid to current and former members of the Supervisory and the Administrative Board can be found in the remuneration report (cf. remuneration report in the management report) and has not been restated here.

Administrative Board

Business relationships with Frank Gotthardt and Professor (apl.) Dr. med. Daniel Gotthardt are shown separately and not included in this list.

Supervisory Board and Senior Management

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

Other related companies:

The following business relationships with related companies are particularly noteworthy:

Gotthardt Healthgroup AG

The sale of the GHG group was concluded with the Gotthardt Healthgroup AG in the prior year. The basic amount of the payment was 22,000 kEUR. In the current financial year, business relationship amount to merely 19 kEUR for purchased services and 41 kEUR for rendered services. The purchase contract provides for variable purchase price components that will be calculated on the basis of pre-defined revenue figures in the following years. The value of these earn out agreements totals 11,335 kEUR (prior year: 7,710 kEUR), and they have a remaining term until 2028. These figures are included in the liabilities item.

Gotthardt Bürotechnik GmbH

CompuGroup obtained services in the form of leases for copiers from Gotthardt Bürotechnik GmbH in the amount of 116 kEUR (prior year: 112 kEUR).

INFOSOFT Informations- und Dokumentationssysteme GmbH

The goods and services received from INFOSOFT Informations- und Dokumentationssysteme GmbH include both the purchase of licenses and services in the form of software maintenance totaling 233 kEUR (prior year: 250 kEUR).

KEC Vertriebs GmbH & Co. KG

The services received from KEC Vertriebs GmbH & Co. KG mainly consisted of advertising and sponsoring services totaling 317 kEUR (prior year: 316 kEUR).

mps public solution GmbH

The goods and services received (729 kEUR; prior year: 893 kEUR) and provided in the amount of 1,921 kEUR (prior year: 1,789 kEUR) mainly comprise software maintenance services for software licenses between CompuGroup Medical Clinical Deutschland GmbH and mps public solution GmbH.

Fährhaus Koblenz GmbH & Co. KG

This mainly relates to the use of the Fährhaus for meetings, conventions and conferences for a total of 55 kEUR (prior year: 107 kEUR).

Gotthardt Healthgroup RO

CGM Deutschland AG procured software development services amounting to 534 kEUR (prior year: 366 kEUR) from Gotthardt Healthgroup RO.

Gotthardt Grundstücksgesellschaft GbR

Payments that are primarily attributable to employee parking spaces amount to 54 kEUR (prior year: 54 kEUR).

GT Transportation Service GmbH

Payments amount to 292 kEUR in the financial year, mainly for onward charging of travel expenses (prior year: 761 kEUR).

KSM KoWaDi Security Management GmbH

This mainly relates to the use of security services totaling 274 kEUR (prior year: 364 kEUR).

VIUS SE & Co. KGaA

This pertains mainly to subleases totaling 397 kEUR (prior year: 401 kEUR).

medocs GmbH

Mainly, this refers to payments for software development totaling 354 kEUR (prior year: 362 kEUR).

Associated companies and joint ventures:

Business relationships with associated companies and joint ventures relate primarily to goods and services exchanged with MGS Meine Gesundheit Services GmbH for software developments amounting to 5,080 kEUR (prior year: 12,252 kEUR), Medecon Telemedizin GmbH amounting to 1,089 kEUR (prior year: 976 kEUR), and SecureFarma DB S.r.l amounting to 458 kEUR.

G.12 Declaration of Compliance with the German Corporate Governance Code

The declaration of compliance required by section 161 of the German Stock Corporation Act (AktG) was issued by the Managing Directors and the Supervisory Board and made publicly available to shareholders on the company's website at (https://www.cgm.com/corp_de/unternehmen/investor-relations/CG-de.html).

G.13 Auditor's fees in accordance with section 314 (1) no. 9 German Commercial Code (HGB)

The following table shows the total fees payable, including expenses and all additional costs, to KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, for financial year 2024. The Auditing financial statements item includes the fees for auditing the single-entity financial statements, the consolidated financial statements including the dependency report and the remuneration report of CompuGroup Medical SE & Co. KGaA. These items also include fees for auditing the financial statements of seven subsidiaries. Other advisory services relate, as in the prior year, to the external audit to achieve limited assurance regarding the combined separate non-financial report.

kEUR	2024	2023
Auditing financial statements	1,202	1,161
Other advisory services	98	56
Tax advisory	0	0
Other services	0	0
Total	1,300	1,217

G.14 Events after the reporting date

On December 9, 2024, CompuGroup Medical entered into a strategic partnership agreement with CVC Capital Partners, one of the world's leading private equity firms, and GT1 Vermögensverwaltung GmbH, CompuGroup Medical's majority shareholder. The partnership is expected to support the long-term innovation and growth strategy of CompuGroup Medical. Together, CompuGroup Medical and CVC plan to drive innovation in healthcare for the benefit of patients and healthcare providers worldwide.

The partners founded a holding company controlled by investment funds advised and management by affiliates of CVC Capital Partners and made all shareholders a voluntary public takeover offer at a price of 22.00 EUR per share in cash. The founding family Gotthardt and related shareholders, who together hold 50.1 % of all shares, will retain their majority stake in CompuGroup Medical. The parties have agreed not to enter into a domination and/or profit and loss transfer agreement for a period of at least two years following the closing of the offer.

The minimum acceptance threshold of 17 % was exceeded on January 22, 2025. At the same time, an additional acceptance period for CompuGroup Medical shareholders to tender shares at EUR 22.00 per share was granted from January 29, 2025 until February 11, 2025. At the end of the additional acceptance period on February 11, 2025, the offer was accepted for 4,387,680 CompuGroup Medical shares. This is equivalent to approx. 8.17 % of all outstanding shares and voting rights. Furthermore, 13.68 % of all outstanding CompuGroup Medical shares and voting rights were acquired outside the offer and are currently held directly or through instruments by CVC. Thus, CVC has secured a minority share of 21.85 %.

The managements of CompuGroup Medical and CVC have agreed to take the company private by way of a delisting offer immediately following the closing of the takeover offer. CVC does not need any further shares following successful completion of the takeover offer to initiate the delisting offer.

The transaction is expected to be completed in the second quarter of 2025.

G.15 Managing Directors, Supervisory Board and Administrative Board

Managing Directors:

Last name	First name	Occupation/membership of Supervisory Boards and other supervisory bodies
Gotthardt	Daniel, Prof. (apl.) Dr. med.	Managing Director, Chief Executive Officer (CEO - since September 1, 2024) Managing Director of Dagui Beteiligungen GmbH Managing Director of Dagui Verwaltungs- GmbH Managing Director of Gotthardt Healthgroup Holding GmbH Managing Director of Mediteo GmbH Managing Director of Mediteo International GmbH Managing Director of Mediteo US GmbH Managing Director of XL Health Fonds Nr. 2 GmbH Member of the Management board of Gotthardt Healthgroup AG Member of the Management board of XLHealth AG
Hommel	Daniela	Managing Director, Chief Financial Officer (CFO - since February 1, 2024)
Mugnani	Emanuele	Managing Director Ambulatory Information Systems Europe & Pharmacy Information Systems
Reichl	Hannes	Managing Director for Inpatient and Social Care
Thomé	Ulrich, Dr.	Managing Director Ambulatory Information Systems DACH
Rauch	Michael	Managing Director, Chief Executive Officer (CEO - until August 31, 2024) Chairman of the Supervisory Board of edding AG
Pech	Eckart, Dr.	Managing Director Consumer and Health Management Information Systems (until March 15,2024)

Members of the Supervisory Board:

Members of the Supervisory Board of CompuGroup Medical SE & Co. KGaA as at the reporting date:

Last name	First name	Occupation/membership of Supervisory Boards and other Supervisory Bodies
von Ilberg	Philipp (Chair)	Lawyer and Managing Director of Mayer Sitzmöbel Verwaltungs-GmbH, the general partner of Mayer Sitzmöbel GmbH & Co. KG (Member of the CGM Supervisory Board since June 18, 2020; since June 18, 2020, Chairman)
Weinmann	Stefan (Vice Chair)	Sales Professional at CGM Clinical Deutschland GmbH (Member of the CGM Supervisory Board since September 30, 2021; Vice Chairman since September 30, 2021)
Handel	Ulrike, Dr.	Supervisory Board member and Senior Advisor Member of the Board of Directors of Sparks Networks SE Member of the Board of Directors of Schibsted ASA (Member of the CGM Supervisory Board since June 18, 2020; Vice Chairwoman from June 18 until July 29, 2020)
Köhrmann	Martin, Professor Dr.	Deputy Director of the Department of Neurology at Essen University Hospital (Member of the CGM Supervisory Board since June 18, 2020)
Lyhs	Reinhard	Freelance consultant (Member of the CGM Supervisory Board since March 1, 2023)
Störmer	Matthias	Freelance consultant (Member of the CGM Supervisory Board since June 18, 2020)
Volkens	Bettina, Dr.	Supervisory Board member/Start up founder and self-employed advisor Member of the Supervisory Board of Bilfinger SE Member of the Supervisory Board Vossloh AG Member of the Supervisory Board of Elektrobau Mulfingen GmbH (Member of the CGM Supervisory Board since June 18, 2020)
Basal	Ayfer (Employee representative)	Quality Assurance Professional at CGM Lauer-Fischer GmbH (Member of the CGM Supervisory Board since September 30, 2021)
Betz	Frank (Employee representative)	Marketing Professional at CGM Clinical Europe GmbH (Member of the CGM Supervisory Board since September 30, 2021)
Hegemann	Adelheid (Employee representative)	Senior Service Manager at CGM Clinical Deutschland GmbH (Member of the CGM Supervisory Board since September 30, 2021)
Mole	Julia (Union representative)	Trade union secretary at the United Services Union ver.di Rhineland-Palatinate/Saarland (Member of the CGM Supervisory Board since January 15, 2021)
Yener	Ali (Union representative)	First Authorized Representative and Managing Director IG Metall Koblenz Vice Chairman of the Supervisory Board of ZF Active Safety GmbH Member of the Supervisory Board of Novelis Deutschland GmbH (Member of the CGM Supervisory Board since June 01, 2024)
Johnke	Lars (Union representative)	Trade union secretary at IG Metall District management Lower Saxony and Saxony-Anhalt (Member of the CGM Supervisory Board until May 31, 2024)

Members of the Administrative Board:

Members of the Administrative Board of CompuGroup Medical SE & Co. KGaA as at the reporting date:

Last name	First name	Occupation/membership of Supervisory Boards and other Supervisory Bodies
Gotthardt	Frank (Chair)	Managing Director of GT 1 Vermögensverwaltung GmbH Managing Director of GT 3 Software und Beteiligung GmbH Managing Director of GT 4 Software und Beteiligung GmbH Managing Director of GT Digital Health Holding GmbH Managing Director of GT Medien GmbH Managing Director of Hotel am Moselstausee Verwaltungs GmbH Chairman of the Supervisory Board der Rhein Massiv Verwaltung AG Chairman of the Supervisory Board der XLHEALTH AG
Esser	Klaus, Dr. (Vice Chair)	Managing Director of Klaus Esser Verwaltungs GmbH
Gotthardt	Daniel, Prof. (apl.) Dr. med.	Managing Director and Chief Executive Officer of CompuGroup Medical SE & Co. KGaA (since September 01, 2024) Senior Vice President and Chief Medical Officer of CompuGroup Medical SE & Co. KGaA (until August 31, 2024) Managing Director of Dagui Beteiligungen GmbH Managing Director of Dagui Verwaltungs- GmbH Managing Director of Gotthardt Healthgroup Holding GmbH Managing Director of Mediteo GmbH Managing Director of Mediteo International GmbH Managing Director of Mediteo US GmbH Managing Director of XL Health Fonds Nr. 2 GmbH Member of the Management board of Gotthardt Healthgroup AG Member of the Management board of XLHealth AG
Peters	Stefanie	Managing partner of enable2grow GmbH Member of the Supervisory Board of STAFFBOOK AG
Weiß	Karl Heinz, Prof. (apl.) Dr. med.	Medical Director of Krankenhaus Salem der Evang. Stadtmission Heidelberg gGmbH (Member of the Administrativ Board since November 01, 2024) Member of the Supervisory Board of Gotthardt Healthgroup AG
Rauch	Michael	Managing Director and Chief Executive Officer of CompuGroup Medical SE & Co. KGaA (until August 31, 2024) Chairman of the Supervisory Board of edding AG

G.16 Remuneration for the Managing Directors

The total remuneration for the Managing Directors is as follows:

Remuneration for the Managing Directors in 2024 pursuant to IAS 24.17

kEUR	Short-term benefits	Other long-term benefits	Total compensation
Gotthardt, Daniel, Prof. (apl.) Dr. med. (CEO since September 1, 2024)	500	3,221	3,721
Hommel, Daniela (CFO since February 1, 2024)	600	1,941	2,541
Mugnani, Emanuele	560	0	560
Reichl, Hannes	520	365	885
Thomé, Dr. Ulrich	568	0	568
Rauch, Michael (CEO until August 31, 2024)	1,739	1,250	2,989
Pech, Eckart, Dr. (until March 15, 2024)	0	0	0
Mazza Teufer, Angela (until May 31, 2023)	0	0	0
Total	4,487	6,777	11,264

Remuneration for the Managing Directors in 2023 pursuant to IAS 24.17

kEUR	Short-term benefits	Other long-term benefits	Total compensation
Rauch, Michael	1,668	500	2,168
Mugnani, Emanuele	776	0	776
Pech, Eckart, Dr.	2,336	0	2,336
Reichl, Hannes	848	1,233	2,081
Thomé, Dr. Ulrich	153	2,249	2,402
Mazza Teufer, Angela*	1,133	0	1,133
Total	6,914	3,982	10,896

** Left the company effective from May 31, 2023.*

Remuneration disclosure Managing Directors 2024 pursuant to section 314 (1) no. 6 German Commercial Code (HGB)

kEUR	Fixed compensation	Variable bonus (performance)	One-time payments	Share options (fair value)	Fringe benefits	Total compensation
Gotthardt, Daniel, Prof. (apl.) Dr. med. (CEO since September 1, 2024)	233	267	0	3,221	0	3,721
Hommel, Daniela (CFO since February 1, 2024)	458	136	0	1,941	6	2,541
Mugnani, Emanuele	500	102	0	0	0	602
Reichl, Hannes	481	391	0	0	9	881
Thomé, Dr. Ulrich	500	48	0	0	20	568
Rauch, Michael (CEO until August 31, 2024)	533	337	2,200	0	6	3,076
Pech, Eckart, Dr. (until March 15, 2024)	0	-4	0	0	0	-4
Mazza Teufer, Angela (until 31.05.2023)	0	-33	0	0	0	-33
Total	2,705	1,244	2,200	5,162	41	11,352

Remuneration disclosure Managing Directors 2023 pursuant to section 314 (1) no. 6 German Commercial Code (HGB)

kEUR	Fixed compensation	Variable bonus (performance)	One-time payments	Share options (fair value)	Fringe benefits	Total compensation
Rauch, Michael	800	1,181	0	0	8	1,989
Mugnani, Emanuele	500	190	0	0	0	690
Pech, Eckart, Dr.	500	100	1592	0	22	2,214
Reichl, Hannes	550	255	0	952	9	1,766
Thomé, Ulrich, Dr.	83	67	0	2249	3	2,402
Mazza Teufer, Angela*	208	7	825	0	5	1,045
Total	2,641	1,800	2,417	3,201	47	10,106

** Left the company effective from May 31, 2023.*

Remuneration of former Managing Directors / members of the Management Board of CompuGroup Medical SE & Co. KGaA

In addition to the remuneration above, no additional remuneration was paid to former Managing Directors / members of the Management Board of CompuGroup Medical SE & Co. KGaA in 2024.

G.17 Share option programs

The Managing Directors receive option rights as long-term variable remuneration in accordance with the conditions of the authorization to issue option rights for CompuGroup Medical SE & Co. KGaA decided upon under agenda item 6 at the Annual General Meeting on May 15, 2019. In order to be able to satisfy the share options, the Annual General Meeting on May 15, 2019 resolved to authorize contingent capital in agenda item 8, which – like the share option program – was adapted by resolution of the Annual General Meeting of CompuGroup Medical SE & Co KGaA of May 19, 2021 (Contingent Capital 2019) and was valid until May 14, 2024.

By way of resolution of the Annual General Meeting of May 21, 2024, the share capital was contingently increased by up to 2,686,728.00 EUR by issue of up to 2,686,728 new no-par value registered shares (Contingent Capital 2024-II). The sole purpose of the contingent capital increase is to grant subscription rights (share options) to the Managing Directors of CompuGroup Medical Management SE and eligible employees of the company and to executives of its subordinate associated companies and their eligible employees, until May 21, 2029, in accordance with the more detailed provisions of the authorizing resolution of the Annual General Meeting of May 22, 2024, under which the general partner or the Administrative Board of the general partner were authorized to grant such rights.

The provisions set forth in the resolutions of the Annual General Meetings on May 15, 2019, May 13, 2020 and May 19, 2021 apply to issuing and settling the share options. The option conditions adopted by the Annual General Meeting in the version in force on August 2, 2021 apply equally to all Managing Directors. Any deviating conditions are described below.

Each share option entitles its holder to acquire a registered share of CompuGroup Medical with each individual share representing a pro rata amount of 1.00 EUR in share capital by paying the exercise price during the term within the exercise periods if all the pre-requisites for exercising the option are met.

A share option may only be exercised if

(i) the qualifying period has expired;

(ii) the performance target was reached; and

(iii) the share option has not been forfeited in accordance with the option conditions or the employment contract.

CompuGroup Medical can choose to either satisfy exercised share options by (i) issuing the corresponding amount of shares using Contingent Capital 2019 or any other contingent capital resolved for this purpose (new shares) or (ii) by handing out treasury shares or a combination of both, or (iii) by paying a corresponding amount of money, in each case less the statutory tax and any other charges.

Qualifying period

The qualifying period for exercising share options commences on the date the respective options are issued and ends four years after the issue date (end of day). The issue date of a share option is the date the eligible person is informed of the decision of the Administrative Board of CompuGroup Medical Management SE to issue such share option (issue date).

After the end of the qualifying period and if all other requirements for exercising the options have been fulfilled, the eligible person may exercise the share options either entirely or partially in tranches within a period of six years (term), whereby each of the eligible person's tranches must comprise at least 10,000 share options.

Performance target

The pre-requisite for exercising share options is that the performance target for the respective share options has been reached. The performance target has been reached if the company's share price has increased by at least 20 % either compared to the exercise price within a period of three years either (i) from the issue date of the respective share options or (ii) within a period of three years prior to the date on which the respective share options can be exercised for the first time (performance target). The relevant reference price for measuring the minimum share price increase is the volume-weighted average price of the company's shares in the XETRA trading system on the Frankfurt Stock Exchange during a period of three months prior to the date on which option rights may be exercised for the first time.

If the minimum share price increase has not been met within the two possible performance periods, the respective share options are forfeited without replacement. It is not possible to make up for such non-performance in later periods.

In addition, and thus in deviation from item 4 of the General Option Conditions as amended on August 2, 2021, it was agreed in the individual employment contracts of the Managing Directors as a further performance target that the share options granted for and allocated to a respective financial year will be forfeited without replacement if the short-term variable remuneration granted for the prior financial year does not amount to at least 70 % of the target amount.

If the short-term variable remuneration of the Managing Director in question is based on individual performance targets on the achievement of which the Managing Director has little or no influence, the Administrative Board may decide to neglect such performance targets in determining or agreeing on the relevant performance targets for calculating the 70 % threshold referred to in the preceding sentence. This means that for this purpose the amount of the short-term variable remuneration is then determined as if the neglected performance target had never been set or agreed.

Exercise price

The price per share to be paid when exercising a share option (exercise price) corresponds, in accordance with the general option conditions, to the volume-weighted average price of the company's shares in XETRA (or a similarly functioning system that replaces XETRA) on the Frankfurt Stock Exchange for a period beginning 45 calendar days before and ending 45 calendar days after the respective issue date, but at least the pro rata amount of the company's share capital attributable to the share (section 9 (1) German Stock Corporation Act (AktG)).

The option rights can only be exercised if the employment contract of the respective Managing Director is extended beyond the existing term of their respective first employment contract and if the employment contract is still valid at the time the option rights can be exercised for the first time.

The performance target that must be achieved to be able to exercise all the share options newly granted from 2022 is that the share price of CompuGroup Medical SE & Co. KGaA must have risen by at least 20 % either (i) within three years of the issue date of the respective share options or (ii) within the three years prior to the day on which the respective share options can be exercised for the first time. All the share options outstanding as at December 31, 2024 are thus subject to this Performance Target.

In September 2024, **Professor (apl.) Dr. med. Daniel Gotthardt** (Chief Executive Officer) was awarded 1,000,000 share options. The qualifying period ends in accordance with the general option conditions exactly four years after the issue date (end of day). The amount applies both to the entire term of the employment contract (three years). For the purpose of allocating share options to remuneration for a given financial year (in particular for the purposes of determining the maximum remuneration, assessing potential forfeiture, calculating the qualifying period or calculating the number of share options that vest in the event of termination for Change of Control), Prof. (apl.) Dr. med. Daniel Gotthardt is deemed to be allocated 250,000 share options each for financial years 2024 to 2027.

Notwithstanding the general option conditions, the performance target required for exercising the options is deemed achieved if the share price increases by at least 15 % in total (“minimum share price increase”) either within three years from the issue date of the respective share options or within three years from the date on which the respective share options can first be exercised, i.e., before the first day following the end of the qualifying period (“performance period”).

In addition to the general terms and conditions of the share option program set out above, the 500,000 share options from the allocation tranches for financial years 2026 and 2027 will be forfeited if not extended. In addition to the option conditions, it is further agreed that the share options granted for a given year will be forfeited without replacement if the short-term variable remuneration for the respective prior financial year did not reach at least 70 % of the target amount. This does not apply to the allocation tranches for financial years 2024 and 2025.

In July 2024, **Daniela Hommel** (Chief Financial Officer) was awarded 250,000 share options. The qualifying period ends in accordance with the general option conditions exactly four years after the issue date (end of day). The amount applies both to the entire term of the employment contract (three years) and to any potential renewal (further two years) thereof. For the purpose of allocating share options to remuneration for a given financial year (in particular for the purposes of determining the maximum remuneration, assessing potential forfeiture, calculating the qualifying period or calculating the number of share options that vest in the event of termination for Change of Control), Daniela Hommel is deemed to be allocated 50,000 share options each over five years.

As part of his appointment as spokesperson for the Managing Directors in addition to his position as Chief Financial Officer as of July 1, 2022, **Michael Rauch** was awarded 400,000 share options, 300,000 of which were forfeited when his employment ended on August 31, 2024. As such, a total of 100,000 share options remain, 45,000 of which were allocated on July 1, 2022 and 55,000 on July 1, 2023.

In February 2022, **Emanuele Mugnani** (Managing Director of Ambulatory Information Systems Europe and Pharmacy Information Systems) was awarded 250,000 share options. The qualifying period ends in accordance with the general option conditions four years after the issue date (end of day). The amount applies both to the entire term of the employment contract (three years) and to any potential renewal thereof. For the purpose of allocating share options to remuneration for a given financial year (in particular for the purposes of determining the maximum remuneration, assessing potential forfeiture, calculating the qualifying period or calculating the number of share options that vest in the event of termination for Change of Control), Emanuele Mugnani is deemed to be allocated 50,000 share options each over five years. In addition to the general terms and conditions of the share option program set out above, the share options will be forfeited without replacement if the short-term variable remuneration determined from 2023 until the end of the appointment has not reached at least 70 % of the target amount. This does not apply to the share options granted on a proportionate basis for financial year 2022.

When his new employment contract was concluded in 2022, **Hannes Reichl** (Managing Director Inpatient and Social Care) was allocated 20,000 share options per year for each financial year, but at the most for up to four years, each as at July 1 of the respective year or two weeks after the Annual General Meeting of CompuGroup Medical SE & Co. KGaA if this has not taken place before July 1 of the respective year. The first allocation was made on July 1, 2023. The 20,000 share options for the respective financial year will only be granted if the short-term variable remuneration determined for the respective prior financial year amounted to at least 70 % of the target amount. If, from 2022 onward, the short-term variable remuneration is based on individual performance targets on the achievement of which the Managing Director has little or no influence, the Administrative Board may decide to neglect such performance targets in determining or agreeing on the relevant performance targets for calculating the 70 % threshold referred to in the preceding sentence.

In November 2023, **Dr. Ulrich Thomé** (Managing Director Ambulatory Information Systems DACH) was awarded 250,000 share options. The qualifying period ends in accordance with the general option conditions four years after the issue date (end of day). The amount applies both to the entire term of the employment contract (three years) to any potential renewal thereof. For the purpose of allocating share options to remuneration for a given financial year (in particular for the purposes of determining the maximum remuneration, assessing potential forfeiture, calculating the qualifying period or calculating the number of share options that vest in the event of termination for Change of Control), Dr. Ulrich Thomé is deemed to be allocated 50,000 share options each over five years. In addition to the general terms and conditions of the share option program set out above, the share options will be forfeited without replacement if the short-term variable remuneration for the respective prior financial year did not reach at least 70 % of the target amount. If individual Performance Targets were decisive for calculating the short-term variable remuneration of the respective prior year and the Managing Director had little or no influence on achieving them, the Administrative Board may disregard such Performance Targets when determining or agreeing on the relevant Performance et for calculating the 70 % threshold.

Consolidated income statement

The equity-settled share option programs of the individual Managing Directors are recognized over the qualifying period in profit or loss up to the fixed fair value on a straight-line basis by offsetting against the capital reserve. The volatility used in the calculation was determined retrospectively over the last seven years since the issue date.

a) Managing Directors

Share Option Program Prof. (apl.) Dr. med. Daniel Gotthardt	Dec 31, 2024
Total number of outstanding share options	1,000,000
of which vested	0
of which exercisable	0
Exercise price (EUR)	14.71
Weighted average remaining term of outstanding rights in years	3.67
Weighted average fair value of an option (EUR)	3.22
Share price volatility applied (in %)	35.47%
risk-free interest rate (in %)	3.66%

Share Option Program Daniela Hommel	Dec 31, 2024
Total number of outstanding share options	250,000
of which vested	0
of which exercisable	0
Exercise price (EUR)	18.05
Weighted average remaining term of outstanding rights in years	3.5
Weighted average fair value of an option (EUR)	7.77
Share price volatility applied (in %)	33.85%
risk-free interest rate (in %)	3.67%

Share Option Program Hannes Reichl	Dec 31, 2024	Dec 31, 2023
Total number of outstanding share options	80,000	80,000
of which vested	0	0
of which exercisable	0	0
Exercise price (EUR)	46.18	46.18
Weighted average remaining term of outstanding rights in years	2.5	3.5
Weighted average fair value of an option (EUR)	11.89	11.89
Share price volatility applied (in %)	31.87%	31.87%
risk-free interest rate (in %)	3.40%	3.40%

Share Option Program Emanuele Mugnani	Dec 31, 2024	Dec 31, 2023
Total number of outstanding share options	250,000	250,000
of which vested	0	0
of which exercisable	0	0
Exercise price (EUR)	42.77	42.77
Weighted average remaining term of outstanding rights in years	1.5	2.5
Weighted average fair value of an option (EUR)	8.36	8.36
Share price volatility applied (in %)	31.21%	31.21%
risk-free interest rate (in %)	-0.58%	-0.58%

Share Option Program Dr. Ulrich Thomé	Dec 31, 2024	Dec 31, 2023
Total number of outstanding share options	250,000	250,000
of which vested	0	0
of which exercisable	0	0
Exercise price (EUR)	35.77	35.77
Weighted average remaining term of outstanding rights in years	2.86	3.86
Weighted average fair value of an option (EUR)	8.99	8.99
Share price volatility applied (in %)	32.02%	32.02%
risk-free interest rate (in %)	3.90%	3.90%

b) Former Managing Directors

Share Option Program Michael Rauch	Dec 31, 2024	Dec 31, 2023
Total number of outstanding share options	100,000	400,000
of which vested	0	0
of which exercisable	0	0
Exercise price (EUR)	42.77	42.77
Weighted average remaining term of outstanding rights in years	1.5	2.5
Weighted average fair value of an option (EUR)	8.24	8.24
Share price volatility applied (in %)	31.21%	31.21%
risk-free interest rate (in %)	-0.58%	-0.58%

c) Senior Management (group 2)

Overview share option program as at December 31, 2024:

Date of allocation	Jul 1, 2024	Jul 1, 2023	Jul 1, 2021
Total number of outstanding share options	60,000	55,000	87,500
of which vested	0	0	0
of which exercisable	0	0	0
Exercise price (EUR)	18.05	46.18	69
Weighted average remaining term of outstanding rights in years	3.5	2.5	0.5
Weighted average fair value of an option (EUR)	7.66	11.97	13.43
Share price volatility applied (in %)	33.85 %	31.87 %	30.69 %
risk-free interest rate	3.67 %	3.40 %	- 0.57 %

Overview share option program as at December 31, 2023:

Date of allocation	Jul 1, 2023	Jul 1, 2022	Jul 1, 2021
Total number of outstanding share options	55,000	30,000	92,500
of which vested	0	0	0
of which exercisable	0	0	0
Exercise price (EUR)	46.18	42.77	68.5
Weighted average remaining term of outstanding rights in years	3.5	2.5	1.5
Weighted average fair value of an option (EUR)	11.97	8.57	13.43
Share price volatility applied	31.87 %	31.21 %	30.69 %
risk-free interest rate	3.40 %	- 0.58 %	- 0.57 %

G.18 Remuneration for the Supervisory Board and the Administrative Board

Remuneration amounts for the members of the Supervisory Board of CompuGroup Medical SE & Co. KGaA are provided for in article 15 of the company's Articles of Association and are approved by the Annual General Meeting with the consent of the general partner pursuant to article 26 (4) of the Articles of Association of the company. Pursuant to the resolution of the (virtual) Annual General Meeting of CompuGroup Medical SE & Co. KGaA of May 13, 2020, the members of the Supervisory Board have been receiving fixed remuneration of 40 kEUR and reimbursement of expenses since the conversion into an SE & Co. KGaA was registered. The Chair of the Supervisory Board receives 80 kEUR, twice the fixed remuneration, while the Vice Chair receives 60 kEUR, 1.5 times the fixed remuneration. For membership in a Supervisory Board committee, a member receives an additional fixed remuneration of 10 kEUR, and the chair of a committee receives twice that amount, namely 20 kEUR.

The remuneration of the Administrative Board of the general partner, CompuGroup Medical Management SE, is provided for in article 13 of the Articles of Association and is approved by the Annual General Meeting of CompuGroup Management SE pursuant to article 21 (3) of the Articles of Association. The members of the Administrative Board of the general partner receive an annual fixed remuneration of 60 kEUR unrelated to performance as well as the reimbursement of expenses. The chair of the Administrative Board receives twice the amount of the fixed remuneration, namely 120 kEUR. Pursuant to article 8 (3) of the Articles of Association of CompuGroup Medical SE & Co. KGaA regarding the remuneration of the Administrative Board of CompuGroup Medical Management SE, the charges have been passed on to CompuGroup Medical SE & Co. KGaA.

The total remuneration (excluding any VAT) of the Supervisory Board of CompuGroup Medical SE & Co. KGaA for the year 2024, including the charges passed on by CompuGroup Medical Management SE for the Administrative Board, amount to (in kEUR):

Remuneration for the Supervisory Board

kEUR	2024	2023
von Ilberg, Philipp, Chair	100	100
Weinmann, Stefan, Vice Chair, employee representative	60	60
Handel, Ulrike, Dr.	50	48
Köhrmann, Martin, Prof. Dr.	40	40
Lyhs, Reinhard (from March 1, 2023)	40	34
Störmer, Matthias	60	60
Volkens, Bettina, Dr.	40	40
Basal, Ayfer, employee representative	50	50
Betz, Frank, employee representative	50	50
Hegemann, Adelheid, employee representative	40	40
Mole, Julia, ver.di	40	40
Yener, Ali, IG Metall (from June 1, 2024)	23	0
Total	593	562

Remuneration for former members of the Supervisory Board

kEUR	2024	2023
Johnke, Lars, IG Metall (until 31.05.2024)	21	50
Total	21	50

These overviews contain the summarized remuneration for all members of the Supervisory Board in the past two years. In addition, any remuneration for membership of the Joint Committee and Audit Committee of the Supervisory Board is also included. More detailed information on the members and organizational structure can be found in the separate report of the Supervisory Board.

The additional remuneration for the employee representatives on the Supervisory Board for activities outside of their Supervisory Board duties is customary in the market. For reasons of materiality, no individualized information is provided.

Remuneration for the Administrative Board

kEUR	2024	2023
Gotthardt, Frank	120	120
Esser, Klaus, Dr.	80	60
Gotthardt, Daniel, Prof. (apl.) Dr. med.	60	60
Peters, Stefanie	60	60
Weiß, Karl Heinz , Prof. (apl.) Dr. med. (from Nov 1, 2024)	10	0
Total	330	300

Remuneration for former members of the Administrative Board

kEUR	2024	2023
Rauch, Michael (until August 31, 2024)	0	0
Total	0	0

Review of the Supervisory Board remuneration system

On the occasion of the entry into force of the law for the implementation of the Second Shareholder Rights Directive (ARUG II), the Supervisory Board remuneration system is also to be submitted to the Annual General Meeting for approval pursuant to section 113 (3) German Stock Corporation Act (AktG). This took place at the Annual General Meeting on May 19, 2021.

G.19 Risk management system

Please refer to the management report for information on the principles of the risk management system.

G.20 Release from disclosure requirement

All German corporations with profit transfer agreements or with a voluntary obligation to assume losses provided by the parent company exercise the exemption under section 264 (3) German Commercial Code (HGB) regarding the preparation and publication of a management report and annual financial statements. This concerns the following companies:

- Aescudata GmbH, Hamburg
- CompuGroup Medical Deutschland AG, Koblenz
- CompuGroup Medical Dentalsysteme GmbH, Koblenz
- docmetric GmbH, Koblenz
- ifap Service Institut für Ärzte und Apotheker GmbH, Martinsried
- Intermedix Deutschland GmbH, Koblenz
- IS Informatik Systeme Gesellschaft für Informationstechnik mbH, Koblenz
- LAUER-FISCHER GmbH, Fürth
- CGM IT Solutions und Services GmbH, Koblenz
- CGM Clinical Deutschland GmbH , Koblenz
- CGM Systemhaus GmbH, Koblenz
- CGM Mobile Software GmbH, Koblenz
- Meditec Marketingservices im Gesundheitswesen GmbH, Koblenz
- KoCo Connector GmbH, Berlin
- CompuGroup Medical Mobile GmbH, Koblenz
- CGM LAB International GmbH, Koblenz
- CGM LAB Deutschland GmbH, Koblenz
- CGM Mobile Services GmbH , Koblenz
- LAUER-FISCHER ApothekenService GmbH , Koblenz
- CompuGroup Medical Software GmbH, Koblenz

- factis GmbH, Freiburg im Breisgau
- CGM Clinical Europe GmbH, Koblenz
- KMS Vertrieb und Services GmbH, Unterhaching
- VISUS Health IT GmbH, Bochum
- INSIGHT Health GmbH , Waldems-Esch
- m.Doc GmbH, Köln
- CGM Development HUB GmbH, Berlin
- CG Software 2 GmbH, Koblenz

G.21 Disclosures by region

	Revenue to third parties		Non-current assets without deferred taxes	
kEUR	2024	2023	2024	2023
Germany	637,563	664,310	840,636	843,590
Western Europe	342,727	338,252	409,823	377,702
Eastern Europe	29,775	32,554	7,892	8,888
North America	137,357	142,166	298,768	290,543
Rest of the World	6,565	10,381	6,365	6,759
Foreign countries	516,424	523,353	722,848	683,892
CGM Group	1,153,987	1,187,663	1,563,484	1,527,482

Koblenz, March 4, 2025

CompuGroup Medical SE & Co. KGaA

Represented by the Managing Directors
of CompuGroup Medical Management SE

Prof. (apl.) Dr. med. Daniel Gotthardt

Daniela Hommel

Emanuele Mugnani

Hannes Reichl

Dr. Ulrich Thomé

FURTHER INFORMATION

Responsibility statement

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the group, and the management report of the group 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.

Koblenz, March 4, 2025

CompuGroup Medical SE & Co. KGaA

Represented by the Managing Directors
of CompuGroup Medical Management SE

Prof. (apl.) Dr. med. Daniel Gotthardt

Daniela Hommel

Emanuele Mugnani

Hannes Reichl

Dr. Ulrich Thomé

Independent Auditor's Report

To CompuGroup Medical SE & Co. KGaA, Koblenz

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of CompuGroup Medical SE & Co. KGaA, Koblenz, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated income statement, consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of CompuGroup Medical SE & Co. KGaA and the Group (combined management report) for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as “IFRS Accounting Standards”) as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Independent Auditor's Report

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as 'EU Audit Regulation'), and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Please refer to Section "D.1.c) Goodwill" in the notes to the consolidated financial statements for more information on the accounting policies applied.

Information on the amount and development of goodwill can be found in the notes to the consolidated financial statements under Section "E.1 Intangible assets".

THE FINANCIAL STATEMENT RISK

As of December 31, 2024, goodwill amounted to EUR 735.9 million and, at 37.4% of total assets, accounts for a substantial share of assets.

Impairment of goodwill is tested annually at the level of business segments. For this purpose, the carrying amount of the assets is compared with the recoverable amount of the respective segment. If the carrying amount exceeds the recoverable amount, there is a need for impairment.

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The Company generally takes the value in use of the respective segment as the recoverable amount. The Company calculates this using discounted cash flow models based on the present values of the expected future cash flows stemming from the budgets prepared by management for the coming financial years, extrapolated using assumptions about future growth rates. The respective discount rate is derived from the return on a risk-appropriate alternative investment. The reporting date for the impairment test was November 30, 2024.

Calculation of value in use is complex and, as regards the assumptions made, based largely on estimates and assessments of the Company. This applies particularly to estimates of future cash flows and long-term growth rates as well as the determination of discount rates.

The calculated values did not provide any indications for the need to recognize an impairment. There is the risk for the consolidated financial statements that an existing impairment loss is not recognized in the amount required. There is also the risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

Using the information obtained in our audit, we first assessed which goodwill showed indications of impairment. With the involvement of our valuation experts, we assessed the appropriateness of the significant assumptions and the valuation model of the Group. In addition, we discussed the expected cash flows and the assumed growth rates with those responsible for planning. Furthermore, we reconciled the calculation with the budget approved by the Joint Committee for financial year 2025 and assessed whether the budget amounts and growth rates applied are in line with sector development.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analyzed deviations.

We compared the assumptions and parameters underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to take account of forecast uncertainty and the early closing date for the impairment test, we also investigated the impact of potential changes to the discount rate and the terminal value growth rate on the value in use by calculating alternative scenarios and comparing these with the Group's measurements (sensitivity analysis). To ensure the computational accuracy of the valuation model used, we verified the Company's calculations on the basis of selected risk-based elements.

Finally, we assessed whether the disclosures in the notes regarding impairment of goodwill are appropriate. This also included an assessment of the appropriateness of the disclosures pursuant to IAS 36.134(f) on sensitivities in the event of a reasonably possible change in key assumptions underlying the evaluation.

Independent Auditor's Report

OUR OBSERVATIONS

The process used by the Company for impairment testing of goodwill is appropriate and in line with the accounting policies. The Company's assumptions and data are appropriate. The related disclosures in the notes are appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Independent Auditor's Report

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control or of these arrangements and measures.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance

Independent Auditor's Report

of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Independent Auditor's Report

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the 'ESEF documents') contained in the electronic file „compugroupmedicalsecokgaa-2024-12-31.zip" SHA256-Hashwert: 21aaa80d2fdb8112c1ff641dc153265becaaebf19385ba13d88cd70b650c704a) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ('ESEF format'). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Independent Auditor's Report

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on May 22, 2024. We were engaged by the Supervisory Board on September 30, 2024. We have been the auditor of the consolidated financial statements of CompuGroup Medical SE & Co. KGaA without interruption since financial year 2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Independent Auditor's Report

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Alexander Bock.

Frankfurt am Main, March 4, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Bock	Jennes
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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The non-financial group report is expected to be published in April 2025.

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