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Annual Report 2023

__ Financial Highlights

	2023	2022	Change
Sales, operating result and cash flow	KEUR	KEUR	(in %)
Sales	241,459	209,128	15.5
Segment revenues NEXUS / DE (unconsolidated)	80,348	69,915	14.9
Segment revenues NEXUS / DIS (unconsolidated)	59,687	51,166	16.7
Segment revenues NEXUS / ROE (unconsolidated)	113,888	97,590	16.7
Domestic sales	132,198	112,150	17.9
Sales in foreign countries	109,261	96,978	12.7
EBITDA	50,389	44,292	13.8
EBITDA before acquisitions	49,966	-	-
EBITA	38,276	32,557	17.6
EBIT	31,873	27,788	14.7
EBIT before acquisitions	34,064	-	-
EBT	32,994	27,260	21.0
EBT before acquisitions	35,253	-	-
Consolidated net income	23,792	19,769	20.4
Cash flow from operating activities	30,407	33,875	-10.2
Earnings per share (undiluted / diluted) in EUR	1.39	1.21	14.9
Ongoing development costs and depreciations			
Capitalization of software developments	3,777	2,380	58.7
Development costs	44,572	39,023	14.2
Total depreciation	18,516	16,504	12.2
Depreciation from purchase price allocation	6,403	4,769	34.3
Assets and equity capital			
Non-current assets	243,957	184,511	32.2
Current assets	167,759	159,685	5.1
Liquid assets including shortterm financial depositions	97,434	110,019	-11.4
Equity capital	258,582	238,946	8.2
Share price (closing price, Xetra, in EUR)	58.20	55.80	4.3
Employees (annual average)	1,690	1,551	9.0

As rounded figures are used in this report, it is possible that the totals and calculated percentage figures may vary slightly.

Content

01 __ Letter to our Shareholders

Dear Shareholders:

Nexus AG presents strong figures for the 2023 financial year! With this refreshingly short sentence, we summarize that in 2023 we were able to largely shield the business development of our company from the effects of the currently diverse crises and economic uncertainties and to continue to realize sharply rising business figures.

The combination of the 2023 crises – war, inflation, energy crisis and budgetary crisis – was not only challenging for us. Our customers – hospitals, rehabilitation facilities, homes and doctors who have to reposition themselves after the pandemic – were particularly affected. These have been and will continue to be trapped between a shortage of skilled workers, new tasks and economic pressure. We see ourselves **as a partner of our customers** and contribute with our software products and services to reduce bureaucratic effort and facilitate the daily work of doctors and nurses.

Against the backdrop of these many challenges, we are very pleased to be able to report exceptionally positive results for 2023: strong results, high order intake and successful new product launches. And we are proud to have achieved and even exceeded our targets for **2023, published in 2018**, in terms of earnings **and sales**.

__ Dr. Ingo Behrendt Chief Executive Officer (CEO)

__ 2023: Crisis and Opportunities

The undoubtedly difficult economic situation in many European countries, and Germany in particular, also affects us at critical points. Galloping bureaucracy, inflation, high sick leave, the trend toward home office and the economic pressure of our customers are challenging us.

Especially the sharp rise in inflation accompanied us all year round and led to rising staff and energy costs in 2023. We responded with a **short-term efficiency program** and were able to limit the impact. The topic of employee recruitment and new rules of cooperation was also on the agenda throughout the year. We have been able to attract new talented people thanks to our Freedom to Innovate employee program. The program also included the establishment of new forms of work, flexibilizations and share-based employee participation. In this context, our development center in Poznan (PL) developed positively, and we have expanded it considerably. It became clear in 2023 that these diverse crises can only be managed by an **agile and flexible company structure** .

But the outlook for our industry for the next few years is by no means bleak. To the contrary: There are even **many new opportunities** that we had not seen until recently. In Germany, this includes the extension of the current investment program "Hospital Information Act (KHZG)" until 2027, which gives our customers and us more time to implement the project. The new digitization strategy of the Federal Ministry of Health (BMG) also provides promising opportunities. Both initiatives continue to focus on the digitization of healthcare and provide additional growth potential for e-health companies. The DigiSanté program, which was launched in Switzerland to promote digital transformation in the healthcare sector and was published at the end of 2023, is heading in a similar direction. The same applies to France, Poland and the Netherlands. The state programs there also provide for further investments in the digitization of the healthcare system.

The **changes on the provider side** will be even more important for our business. At the beginning of 2023, Philips announced that it is withdrawing from the HIS market. SAP and Oracle have also discontinued or changed parts of their healthcare offering. This has caused a lot of uncertainty among customers, but has also created a lot of dynamism on the part of providers. All in all, these announcements are providing **numerous opportunities** for our future sales development.

__ 2023: The Innovation Race

Innovations do not prevail overnight in the healthcare sector and there is little room for experimentation in the daily practice of the institutions. At the same time, there is a huge need for **convincing e-health innovations** . Everyone knows that the shortage of nurses and doctors can only be alleviated with efficient digitalization. The suppliers are therefore in a rather quiet innovation race, which is not so much characterized by large product discontinuations, but by the **everyday usability of time-saving solutions.**

In this race, we have a real competitive advantage thanks to our **modular, platform-oriented systems approach** . The previously often preferred, rather monolithic, system solutions are increasingly viewed critically by healthcare institutions. Especially in the large national digitization initiatives – as recently in Switzerland – interoperable ecosystems are being used, i.e., the IT components of the providers must be compatible with each other and across sectors (patients, doctors, hospitals, and rehabilitation facilities). This is a requirement that NEXUS has supported in its own development history with the slogan "**lived interoperability**" and is summarized in the ONE / NEXUS program for new developments.

Our **major innovation projects** ("NEXUS / ADVANCED REPORTING", NEXUS / PORTAL and NEXUS / VNA) and the developments to facilitate SAP IS-H / Oracle IS-H med replacements continue to be the focus of our development strategy.

We were able to further develop "NEXUS / ADVANCED REPORTING" (**NEXUS / NAR**) significantly in 2023 and implement it as a reference with approx. 25 installations. This module supports the creation of findings texts and diagnoses based on image analyses, predefined terminologies and experience. As a result, findings can be produced significantly faster and in higher quality. NEXUS / NAR is used internationally in all our software applications (e.g., HIS, pathology, psychiatry, urology, radiology, endoscopy, etc.). Our reference customers speak resolutely about an **increase in efficiency** (time savings of up to 80% in the preparation of reports) and a significant **improvement in quality** (structured statements) in clinical informatics.

We have also implemented significant **further developments** in the area of "**NEXUS / PORTAL**", which improves digital communication between physicians and patients. In 2023, other large HIS, but also radiology, ophthalmology and rehabilitation customers chose our product, which we are intensely expanding.

Our continuous development of "**NEXUS / VNA**" has resulted in a high number of incoming orders in 2023. This module enables our customers to have clinic-wide, media-independent image and document archiving and thus a complete view of the patient record.

We increasingly included the topic of " **Integrated AI** " in our **ONE / NEXUS developments** in 2023 . We have been working on the integration of artificial intelligence in our products,for some time, especially to accelerate the creation of diagnostic texts and diagnoses based on image analyses, predefined terminologies and experience. The first products of this kind are already in the go-to-market phase. Our development takes into account the sudden development of AI in recent months. However, we see a whole series of other AI innovations that will be incorporated into product generations.

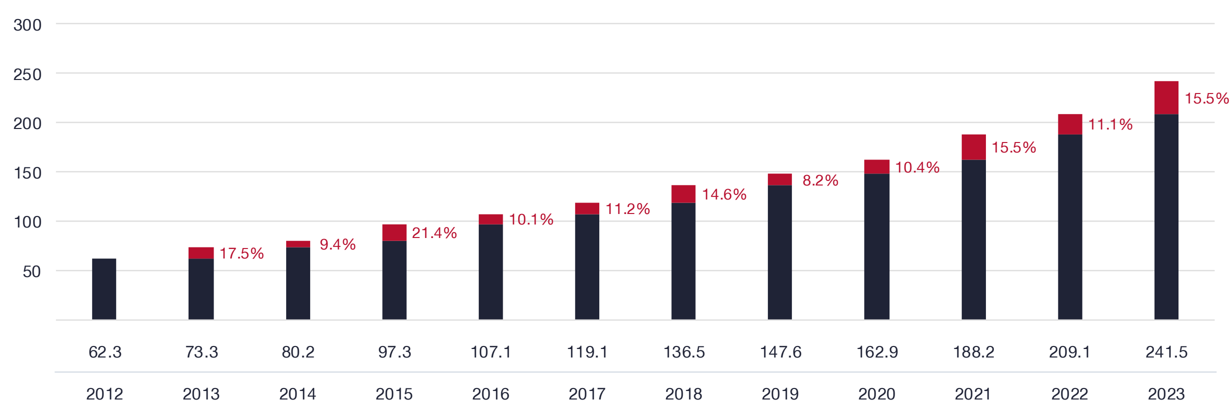
The strong focus of our company on **product development** is rather unusual. However, the success of our ONE/ NEXUS product offensive confirms that we are on the right path. For this reason, we again invested approx. **19%** of our sales or approx. **€ 39 million** in new developments in 2023. This is a high value that is unique in our industry. Our strong position and good market prospects also continue to justify these investments.

__ 2023: Substantial Market Changes

Our **market** remains attractive even in the current crises. In 2023, we again saw **major acquisitions in our segment**. In France, DOCAPOSTE bought the provider "Maincare Solutions S.A.S", and the private equity company "GPI Capital" acquired the provider "Evolucare Technologies S.A.S". In England, the sale of "EMIS Group Plc." to a subsidiary of "UnitedHealth Inc." from the USA was completed. I"NextGen Healthcare Inc." was acquired by ThomaBravo LP in the USA. Investors obviously still expect **significant potential** in our market. This is all the more true because, as described above, Oracle Cerner and SAP are largely withdrawing from the market and creating space for the remaining competitors.

In 2023, we were able to recruit **four highly specialized teams** to strengthen the areas of "NEXUS DEUTSCHLAND", "NEXUS DIS", "NEXUS Schweiz" and our "Laboratory" business. We have also invested in the topic of "patient guidance and queuing systems". Since April 2023, we have held a 75% stake in **NEXUS / SCHAUF GmbH,** Langenfeld . The company creates **patient management and queuing systems** and thus ideally complements the NEXUS / product portfolio. The NEXUS platform strategy will be expanded to include integrated patient logistics in hospitals. The small, highly specialized team of NEXUS / SCHAUFF will be responsible for these topics nationally and internationally in the future.

2012 to 2023 __ Group Sales in EUR million



In May, we strengthened our position in the digitization of long-term care with the acquisition of 90% of the Swiss solution provider **SmartLiberty SA**, Le Landeron (Switzerland). The company provides digital alarm and communication solutions and is a leader in this field.

The collaboration between NEXUS and SmartLiberty aims to accelerate the digitization of nursing homes in Europe thanks to innovative, comprehensive solutions. In 2023, we invested significant funds in the integration and realignment of the company, which should pay off with increasing sales and profits in the coming months.

We acquired a 51% interest in **MARIS Healthcare GmbH** , Illingen, in July 2023. The company is a successful provider of **digital document routing** with a focus on language processing. We plan to closely interlink our products and services and make new offers to the customer groups of both companies. Innovative and interoperable solutions have significant market opportunities, especially in the field of digital language processing and the writing of medical reports and doctor's letters. MARIS employs 18 people, and its management team will retain responsibility in the future.

We acquired **vireq software solutions GmbH**, Brandenburg an der Havel, at the end of July, 2023. The company is a very successful software provider of laboratory communication solutions and has numerous installations in the largest laboratory chains in Germany and Switzerland. Vireq products ideally supplement our successful laboratory software portfolio. We will be able to closely interlink our products and services and make new offers to mutual customer groups in the **fields of laboratory, genetics and pathology**. Vireq employs approx. 80 people with total sales of approx. €10 million; the existing management team will retain responsibility in the future.

These companies and products fit perfectly into the product strategy of the respective areas and have become an **important part of our company** after just a few weeks of integration. We spent around €4.5 million on the realignment and integration of these companies in **2023**. We are convinced that these investments are well spent and the associated market and portfolio expansions will significantly strengthen our position in the e-health market.

__ 2023: Continued dynamic incoming orders

In terms of sales, we concentrated on processing bid invitations from national funding programs in 2023 and were able to record a **substantial number of incoming orders**.. Among the many interesting orders, the orders of the Hanover Medical School (MHH) and the BG Kliniken Group for **digital archiving** certainly stand out. In the **rehabilitation sector**, the Westerwaldklinik opted for NEXUS and we were able to win the enthusiasm of the KRH Hanover and the ARTEMIS Group with the new **ophthalmology solution** from our subsidiary ifa.

We were also very successful **in the laboratory sector** and were able to win orders from the University Hospital Bonn, the Ludwigshafen Hospital and four large laboratory projects in **Austria** . The laboratory project, which we were able to acquire as consortium partner of Siemens Healthineers in Braunschweig, is also one of our great successes in 2023. In the field of **special diagnostics**, the orders from Warendorf and Arlesheim (CH) stood out. We were able to win bids in Altenburg and Coppenbrügge in the **HIS sector in Germany**, and we were successful at two large rehabilitation facilities in the **Netherlands** . The hospitals of the Poznan region in **Poland** chose NEXUS, and the hospitals of the UNEOS Group in **France** bought our HIS. We were therefore particularly pleased to win the HIS tender from Klinikum Landau-Südliche Weinstrasse GmbH with two locations. This is the **first tender and decision** of an SAP IS-H and Oracle i.s.h.med system. We are proud that a decision has been made in favor of **NEXUS**.

It is regrettable that we are currently unable to implement the contract with the Sint Maarten Clinic in Ubbergen, NL, which was signed only in mid-2023, at the customer's request. There has been a change in the management of the clinic. We are conducting negotiations with the customer and will try to continue the recent project.

These are some examples of highly interesting projects. Our **list** of national and international **new projects is** pleasingly long. It is obvious that the market trusts our products and our company. In a **competitive environment** characterized by many changes, we have a market advantage as a stable and reliable company. In some **European markets**, this will create **completely new revenue opportunities for us in the coming years**, which we want to take advantage of at an early stage. To prepare for this, we have already initiated special development and marketing programs , which are intended to give us a competitive advantage here.

__ 2023: Very Strong Sales and Earnings Development

We are pleased that we are once again able to achieve a significant increase in sales and earnings in 2023, thus successfully continuing our continued development of steadily increasing sales and profits since 2001.

Total sales rose significantly to **KEUR241,459** (previous year: KEUR 209,128) in the reporting year, which was approx. 15.5% higher than in the previous year. Revenue from license sales rose from KEUR 36,639 to a total **KEUR 39,910** , and international business accounted for a percentage of 45.3% in the Group as a whole in 2023, after 46.4% in the previous year. **Organically**, Nexus AG grew by approx. 10.4% in 2023. The sales figures include company acquisitions for the current year amounting to KEUR 10,673 consolidated.

NEXUS once again invested more in the **development** of its products in 2023. At around €45 million, investments were approx. **€5.5 million higher than in the previous year**. The investment ratio – measured in terms of sales – was thus approx. 19%. Despite the major challenges that we faced this year, we managed to invest a significant proportion of our sales in future innovations. Despite or precisely because of these high expenditures for new development, our annual results in 2023 were once again very much higher than the previous year.

We were able to increase earnings before taxes (**EBT**) from KEUR 27,260 by approx. **+ 21.0%** to **KEUR 32,994** . Earnings before interest and taxes (**EBIT**) reached **KEUR 31,873** after KEUR 27,788 (+14.7%) in the previous year. Earnings before taxes, interest, depreciation and amortization (**EBITDA**) rose to **KEUR 50,389** after KEUR 44,292 (+ 13.8%). The **consolidated net income** reached **KEUR 23,792** after KEUR 19,769 (+ 20.4%).

Cash flow from operating activities was slightly below the previous year (-10.2%) and amounted to **KEUR 30,407** in 2023 (PY: KEUR 33,875). This is due in particular to the payment and acceptance conditions of the Hospital Information Act (KHZG) projects, which usually only provide for payments at the end of the project periods, as well as the KEUR 3,240 higher tax payments compared to the previous year. In 2023, we also invested approx. KEUR 18,215 in the acquisition of associated companies. As of 31 December 2023, the NEXUS Group's **cash and cash equivalents**, including short-term financial dispositions, totaled **KEUR 97,434** (previous year: KEUR 110,019). The **earnings per share** reached a value of EUR **1.39** after EUR 1.21 in the previous year (+14.9%).

These strong results include **special expenses** for acquisitions and company integrations. In 2023, we processed restructuring costs in the amount of KEUR 3,435 in earnings before taxes and interest for the newly acquired companies. In addition, the costs for the integration of the new companies amounted to approx. KEUR 1,819. Without the acquisition of these companies, our earnings before taxes and interest would have been approx. **KEUR 4,478** higher.

The **EBT margin** was with **13.7%** slightly higher than the previous year. (13.0%) Without acquisitions in 2023, the EBT margin would have increased to **16.3%**. The **EBITDA margin** was **20.9%**, slightly lower than the previous year (21.2%). Excluding acquisitions in 2023, the EBITDA margin would have been **22.6%**. **Currency effects** were mainly caused by the stronger Swiss franc and the stronger Polish zloty and contributed a total of KEUR 2,041 to sales and KEUR 391 to EBITDA . The NEXUS team was thus able to achieve double-digit growth in sales (CAGR 15.1%) and earnings before taxes (CAGR 30.2%) for the 22nd year in a row.

__ Ralf Heilig, Chief Sales Officer (CSO)

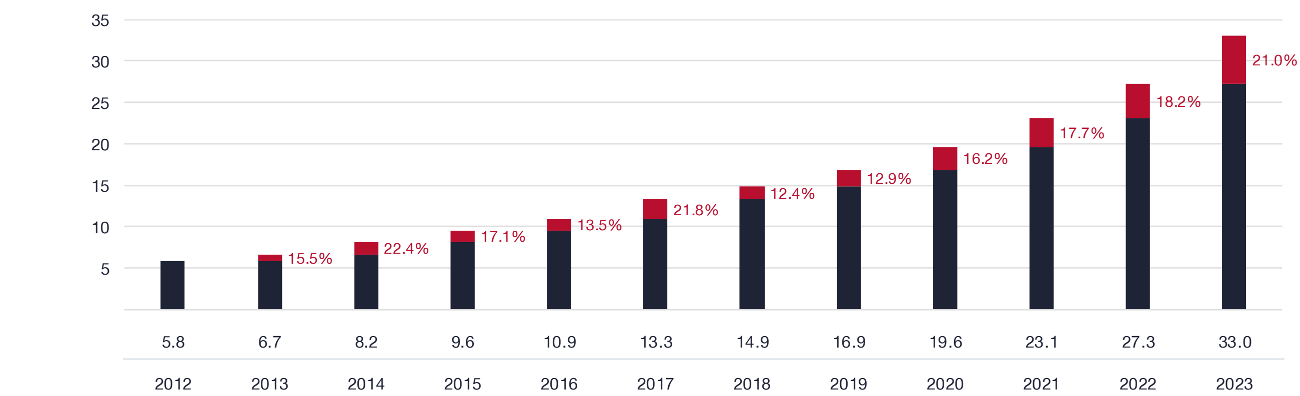
__ 2024: FOCUS ON GROWTH

There is currently **no shortage of crises** and the business environment is challenging. Nevertheless, we remain optimistic and continue to focus on growth. We also have every reason for this:

Supported by the European programs, the **trend towards digitization** in the healthcare sector remains unbroken. In addition, the **strategic changes** of some **competitors** provide the opportunity to gain further market shares. By acquiring smaller software companies, we are expanding our portfolio and our regional presence and achieving significant product and sales synergies. Our product strategy – to offer a platform-based, modular HIS – corresponds increasingly to the market trend and is well received by the customers.

Against this background, we expect average **organic growth of** 8-9% p.a. by 2026 . In addition, we plan to achieve further growth through company **acquisitions**. The available liquid funds of approx. **€ 100 million** are to be used for further European acquisitions in the healthcare market.

2012 to 2023 __ EBT in EUR million



However, it is still **to be feared** that the positive development will be limited by a **lack of potential for implementation** in **hospitals** .

There is a lack of staff and organizational possibilities in many institutions to achieve ambitious digitization goals. The current **financing problems** of state budgets and the recession in Germany are exacerbating these problems . Financial bottlenecks in hospital budgets could result in projects being postponed or even canceled.

__ Edgar Kuner, Chief Development Officer (CDO)

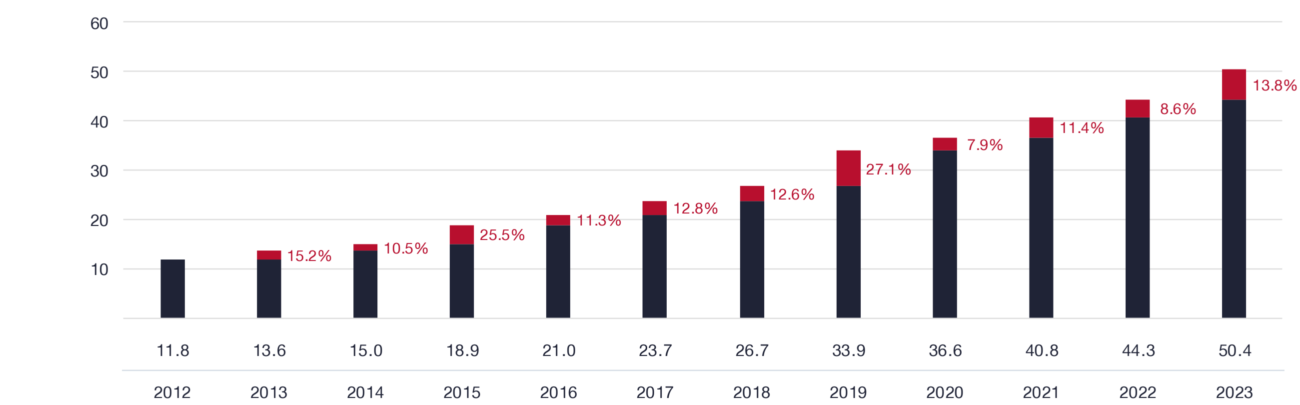
Especially with respect to **costs** for staff and energy, we must continuously evaluate further developments and make **adjustments** there if necessary. NEXUS is in a good position: We are well-positioned financially and do not depend on any critical value chains. As a result, we can focus on managing remaining risks.

__ 2023: Nexus Shares

The stock market environment for growth stocks was difficult in 2023. NEXUS shares started the year at a price of EUR 55.40 (closing price on 2 January 2023, Xetra). By mid-July, this rose to EUR 62.00 (closing price 17 July 2023, Xetra), however, lost significantly in the autumn – despite good half-year figures – and decreased to EUR 45.55 (closing price 17 October 2023, Xetra). At the end of the 2023 financial year, NEXUS shares were quoted at EUR 59.00 (closing price 29 December 2023, Xetra). Compared to the previous year, the share thus posted a **gain of 6.5%** after **a loss of 22.1% in the previous year**. DAX 40 increased by approx. 20.3 % and TECDAX by approx. 12.5% during this time.

Dear Shareholders: The NEXUS team is once again very proud **of the operating result for 2023**. The development of our share price in 2023 was – as in the previous year – not entirely satisfactory. However, this must be assessed against the background of the exceptionally strong development of recent years and in line with the price development among competitors. We consider it of central importance to continue to improve our market position and our results in the future thanks to excellent products and strong customer orientation. The trust and loyalty of shareholders to the company has enabled us to achieve this success. We would like to thank you very much for that. **We would like to continue this extraordinary development** together with you, our customers, employees and partners.

2012 to 2023 __ EBITDA in EUR million




NEXUS
PRODUCT USP´S
Modularized
Architecture
AI based diagnostic
reporting +80%
Fully interoperable
solution
Leading diagnostic
solutions integrated
Unique
User Interface

02 __ Report of the Supervisory Board

The Supervisory Board was informed promptly in written and oral reports at regular intervals by the Executive Board about the respectively current development of business, the risk situation and especially about important events in the company and the NEXUS Group in the fiscal year 2023. The Supervisory Board has fulfilled its checking and monitoring obligations. The transactions requiring approval to be submitted to the Supervisory Board in accordance with the statutory provisions in conjunction with the Articles of Association of Nexus AG and the Supervisory Board's Rules of Procedure were examined, discussed with the Executive Board and decided upon by a corresponding Supervisory Board resolution. Furthermore, the Chairman of the Supervisory Board and the Audit Committee Chair were kept regularly informed of the earnings situation, the course of business and current key topics by the Executive Board.

__ Executive Board and Supervisory Board

In the fiscal year 2023 until the Annual General Meeting on 16 May 2023, Prof. Dr. Felicia Rosenthal, Dr. Hans-Joachim König (Chairman), Prof. (em.) Dr. Ulrich Krystek (Deputy Chairman), Dr. Dietmar Kubis and Juergen Rottler were members of the Supervisory Board for the entire year. Their office ended as appointed at the end of the Annual General Meeting on 16 May 2023. The members of the Supervisory Board were re-elected at the Annual General Meeting of 16 May 2023. Prof. Dr. med. Felicia M. Rosenthal as well as Mr. Florian Herger, Dr. Hans-Joachim König, Dr. Dietmar Kubis, Jürgen Rottler and Rolf Wöhrle were elected to the Supervisory Board. At the subsequent Supervisory Board meeting on 16 May 2023, Dr. Hans-Joachim König was elected Chairman of the Supervisory Board and Dr. Dietmar Kubis was elected Deputy Chairman. Dr. Hans-Joachim König was also elected Chairman of the Personnel Committee and Mr. Rolf Wöhrle was elected Chairman of the Audit Committee.

In the fiscal year 2023, Dr. Ingo Behrendt (Chairman), Edgar Kuner and Ralf Heilig were members of the Executive Board for the entire year.

__ Supervisory Board Meetings

The Supervisory Board had four regular meetings in the fiscal year 2023 on 6 March.2023, 16 May.2023, 26 September.2023 and 19 December 2023. In addition, other Supervisory Board meetings were held or Supervisory Board resolutions passed on 17 January 2023, 6 March 2023, 17 March 2023, 27 March 2023, 18 April 2023, 24 July 2023 and 1 September 2023 in the context of video and telephone conferences as well as in written proceedings. No member of the Supervisory Board was absent from half or more of the Supervisory Board meetings. Participation is documented in the table below.

The Supervisory Board meeting on6 March 202s dealt with the audit of the annual financial statements and consolidated financial statements of Nexus AG for the 2022 fiscal year as well as the adoption of the annual financial statement and the approval of the consolidated financial statement. The audit and adoption of resolutions on other mandatory disclosures to be included in the management report were also addressed at this Supervisory Board meeting. In addition, the agenda items for the Annual General Meeting and the proposed resolutions to the agenda items for the Annual General

Meeting were discussed and adopted. In particular, a proposal regarding the appropriation of profits was submitted to the Annual General Meeting in agreement with the Executive Board. Furthermore, the election of the auditor and a proposal to the Annual General Meeting on the adoption of resolutions on the acquisition of Company's own shares were proposed to the Annual General Meeting. The proposals for election to the Supervisory Board were the subject of both the Supervisory Board meeting of 6 March 2023 and the meeting of 27 March 2023. At the meeting of 27 March.2023 and 18 April 2023, the Management Board contracts for the members of the Management Board for the period from 1 January 2024 to 31 December 2026 were also adopted.

	17/01/2023	06/03/2023	17/03/2023	27/03/2023	18/04/2023	16/05/2023	24/07/2023	01/09/2023	26/09/2023	19/12/2023
	Virtual session	Personal session	Virtual session	Virtual session	Virtual session	Personal session	Virtual session	Virtual session	Personal session	Personal session
Dr. Hans-Joachim König	X	X	X	X	X	X	X	X	X	X
Prof. (em.) Dr. Ulrich Krystek	X	X	X	X	X	-	-	-	-	-
Florian Herger	X	X	X	X	X	X	X	X	X	X
Dr. Dietmar Kubis	X	X	X	X	X	X	X	X	X	X
Prof. Dr. med. Felicia M. Rosenthal	X	X	X	X	X	X	X	e	X	X
Juergen Rottler	X	X	X	X	X	X	X	X	X	X
Rolf Wöhrle	-	-	-	-	-	X	X	X	X	X

e = excused / - = Not a member of the Supervisory Board of Nexus AG

At the regular Supervisory Board meetings, the Executive Board provided extensive reports on the business situation to the Supervisory Board and the Supervisory Board discussed these reports in detail. With regard to transactions requiring approval, several resolutions were passed regarding the acquisition of companies and/or shares after a detailed discussion regarding the determination of the purchase price and the results of the respective due diligence measures. In the meeting of 06 March .2023, the remuneration report and the proposal for the Annual General Meeting concerning the acquisition of own shares were discussed in detail and a resolution was passed; in the meeting of 27 March 2023, a resolution was also passed on the proposal for the Annual General Meeting for the creation of Approved Capital I and Approved Capital II.

At the Supervisory Board meeting on 1 September 2023, it was decided to initiate a tender procedure to determine the auditor for the 2024 financial year and at the Supervisory Board meeting on 19 December.2023, fundamental considerations for the medium and long-term strategy were discussed, taking into account the existing acquisition opportunities.

The Executive Board also provided the Supervisory Board with detailed information on the Compliance Management System in place at Nexus AG and its subsidiaries The Supervisory Board has dealt with the rights and obligations of the Supervisory Board, in particular in connection with the design of remuneration systems for the Executive Board and the design of remuneration reports, also by means of internal further training sessions.

__ German Corporate Governance Codex

At its meeting on 19/12/2023, the Supervisory Board dealt in detail with general compliance issues. In particular, the compliance statement was submitted for the adoption of a resolution Accordingly, the Supervisory Board passed a resolution on the joint compliance statement from the Supervisory Board and the Executive Board pursuant to Section 161 of the German Stock Corporation Act (AktG). The compliance declaration is available on the internet at www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit. In addition, the Supervisory Board dealt intensively with the declaration on the (Group) Corporate Governance Statement (Sections 289f and 315d of the German Commercial Code (HGB).

__ Committees

The Audit Committee formed by the Supervisory Board met once in the 2023 fiscal year on 07/03/2022; at this Audit Committee meeting, all Audit Committee members, Prof. Dr. Ulrich Krystek (Chairman), Dr. Dietmar Kubis and Mr. Florian Herger took part. In addition, the Audit Committee in its new composition (Rolf Wöhrle – Chairman, Florian Herger and Dr. Dietmar Kubis) met on 30 August.2023, 13 November 2023 and 7 December 2023 on the topic of conducting a tender procedure for the appointment of the auditor for the financial year 2024. On 6 March 2023, the Personnel Committee also met in its capacity as Nomination Committee regarding the design of the new employment contracts for the members of the Management Board and the nomination of candidates for the election of the Supervisory Board by the Annual General Meeting. In addition to the cited committees, the Supervisory Board did not have any other committees in the fiscal year.

__ Audit of the Annual Financial Statements

The Nexus AG annual financial statements compiled by the Executive Board, the management report, the consolidated financial statements

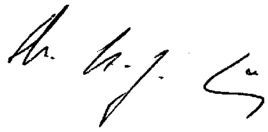
and the Group management report and the ESEF documents for the fiscal year 2023 have been audited with the inclusion of the accounting records by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. Of the In addition, the remuneration report was formally audited by RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, in accordance with Section 162 German Stock Corporation Act (AktG). RSM

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart was appointed auditor of Nexus AG as well as of the NEXUS Group for the fiscal year 2023 at the Annual General Meeting on 16 May 2023 and consequently appointed to conduct this audit. The auditors did not raise any objections and confirmed this in an unrestricted audit certificate. The Annual Financial Statement documents and the auditing report were submitted to the Supervisory Board on time; it checked them thoroughly and discussed them in detail in the meeting of the Auditing Committee and the Supervisory Board of4 May 2023. The auditor also participated in the Audit Committee meeting and the Supervisory Board meeting on 4 March 2023. The auditor reported on the key findings from the audit and remained available for further clarification The auditor confirmed to the Supervisory Board the effectiveness of the supervisory system within the meaning of Section 91 (2) of the German Stock Corporation Act (AktG). In addition, the auditors assured that they did not provide any significant services for the company in the reporting year beyond the audit and that there are no circumstances that could impair their independence. Based on the review of the Audit Committee and its own audit, following further discussions, the Supervisory Board approved the result of the audit with its resolution on 4 March 2023. No objections were raised by the Supervisory Board following the final result of the review by the Audit Committee and the audit. The Supervisory Board adopted and approved the annual financial statements compiled by the Executive Board, the Nexus AG management report, the consolidated financial statements and the group management report for the3 fiscal Year 2023 by resolution on 4 March 2023.

The Supervisory Board would like to thank the staff and the Executive Board of the company for their work and high degree of commitment to

Nexus AG and all affiliated companies. The Supervisory Board would also like to express its congratulations for another successful business year.

Donaueschingen, 04/03/2024



Dr. HansJoachim König

Chairperson of the Supervisory Board

Fast.

The integration of artificial intelligence (AI) into medical reporting and documentation has revolutionized processes by increasing speed by up to 80 %. This saves doctors and healthcare professionals considerable time and makes important information available for patient care more quickly.

Modular solutions for interoperable workflow.

ONE / NEXUS solutions are already designed architecturally as interoperable solutions. Thanks to modern FHIR interfaces, MICRO services and a consistent container architecture, NEXUS modules can be integrated into many IT landscapes. Within the ONE / NEXUS world, the modern user interface ensures uniform user guidance in all modules.

interoperable

modular

integrated

03 __ Our Software

ONE / NEXUS Solutions – Interoperability in Practice

Healthcare systems are increasingly dependent on technical systems communicating with one another without problems. New software must be seamlessly integrated into existing landscapes: Lengthy integration processes are a thing of the past.

Especially during the pandemic, a number of programs were launched under the heading **„interoperability"** and are designed to reduce communication barriers between systems.

ONE / NEXUS solutions are already designed architecturally as **interoperable** solutions. Thanks to modern FHIR interfaces, MICRO services and a consistent container architecture, NEXUS modules can be integrated into many IT landscapes. Within the ONE / NEXUS world, the modern user interface ensures uniform user guidance in all modules.

ONE / NEXUS solutions are based on an integrated platform strategy.

UX-PLATFORM

With our uniform user experience platform, we ensure that users find themselves easily in all modules: We provide a unique user experience thanks to modern „workspace navigation".

HIS-PLATFORM

The HIS platform brings together all processes relating to patient stays and billing. The administrative data of the patient are processed from the first patient contact to discharge.

CLINICAL CHART AND PROCESSES

The „Clinical Chart and Processes" platform records all medical clinical and nursing processes. Doctors and nurses receive support in all work steps: during anamnesis, in the operating theater or at the patient's bedside.

DIAGNOSTIC PLATFORMS

The three diagnostic platforms of the ONE / NEXUS solution focus on:

+ The overall process in the laboratory and in pathology. From recording samples to communicating findings.
+ Special processes in other diagnostic areas: NEXUS offers market-leading solutions for cardiology, urology and endoscopy, integrated in ONE / NEXUS
+ The specific requirements of radiology: Integrated RIS / PACS including the leading teleradiology solution

VENDOR NEUTRAL ARCHIVE (VNA)

We offer uniform archiving of all patient documents with our „Vendor Neutral Archiving" platform, regardless of the type or format of the documents, all images from the medical devices (VNA) are displayed in a uniform view. In addition, ONE / NEXUS also supports the entire document workflows (ECM) of a clinic.

PORTALS

We ensure digital patient contact via our portals. This includes patient and referrer portals with the aim of sharing information between patients and practitioners at every treatment step.

ONE / NEXUS MOBILE PLATFORM

With the ONE / NEXUS mobile platform, we offer all users of our software location-independent work with our applications.

ONE / NEXUS SOLUTIONS

Our interoperable ONE / NEXUS solutions are uniquely positioned on the market: We focused on a modular architecture and special applications with a uniform interface at an early stage. This is a step that anticipated the current market development.

NEXUS / ADVANCED REPORTING

The future of diagnostics:
NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnostic findings. By integrating digital data from medical devices paired with results of artificial recognition algorithms (AI), the appropriate text structures are automatically inserted into the findings report. The generated findings-text proposals support diagnostic decision-making and consequently speed up documentation by 80%.

Create findings 80 % faster.

The future of diagnostics: NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnostic findings. By integrating digital data from medical devices paired with results of artificial recognition algorithms (AI), the appropriate text structures are automatically inserted into the findings report. The generated findings-text proposals support diagnostic decision-making and consequently speed up documentation by 80 %.

04 __ Stock Market and Financial Data

Frankfurt stock exchange stock prices (5-year period)

Investor Relations – Successful Together!

We rely on transparent, regular and timely communication in dialog with the capital market. Our goal is to build trust and work together with our investors on the success of NEXUS. We provide our investors a wide range of opportunities to exchange ideas at conferences, road shows and one-on-one meetings.

Company Profile

Nexus AG develops and sells software solutions for the international healthcare market. With our core Hospital Information System (NEXUS / HIS) and integrated diagnostic modules, we have a unique product range, which can cover almost all functional requirements of hospitals, psychiatric institutions, rehabilitation facilities and diagnostic centers within our own product families.

NEXUS employs approx. 1,900 people, is present in seven European countries with its own sites and serves customers in an additional 71 countries via certified dealers. Thanks to continuously growing demand for NEXUS products, we have been able to build up a large customer base in recent years and regularly show increases in sales and results.

Stock Market Prices

SCHLUSSKURSE XETRA				
	2023	2022	2021	2020
Highest	62.00	73.10	80.70	53.00
Lowest	44.30	42.05	47.90	21.00
Stock Market Capitalization (fiscal year in millions of euros)	1.007.0	965.43	1.132.3	803.4
Result per share (diluted) in EUR	1.39	1.21	1.09	0.95

Melanie Ilic

Investor Relations
Phone: +49 771 22960-260
Fax: +49 771 22960-226
E-Mail: ir@nexus-ag.de

__ Office Locations

05 __ NEXUS at a glance


Stefan Born __ NEXUS Deutschland


Monique Bosboom __ RVC (Nederland)


Marc-Francois Bradley __ SOPHRONA (USA)


Ivo Braunschweiler __ NEXUS Schweiz


Tobias Britz __ Smart Liberty


Clas Clasen __ NEXUS / QM


Uwe Engelmann __ NEXUS / CHILI


Markus Erler __ NEXUS Deutschland


David Fernández Fernández __ NEXUS Spain


Klaus Fritsch __ NEXUS / LAB, NEXUS / CLOUD IT


Christine Gärtner __ NEXUS / ASTRAIA & CMC


Joost van Geijn __ RVC (Nederland)


Udo Geißler __ NEXUS / E&L


Andreas Giebisch __ NEXUS / DIGITAL PATHOLOGY


Wolfgang Hackl __ NEXUS Österreich


Alexander Hackmann __ NEXUS / ASTRAIA


Uwe Hannemann __ NEXUS / ASTRAIA, NEXUS / E&L


Marion Härtel __ NEXUS / IPS


Daniel Heine __ NEXUS Deutschland


Dennis Helbing __ Nexus Schweiz


Timo Hornig __ Nexus AG


Fred Hiddinga __ NEXUS Nederland


Melanie Ilic __ Nexus AG


Jacek Kobusinski __ NEXUS Polska


Harry Kolles __ IFMS GmbH


Hagen Kühn __ NEXUS / REHA


Thomas Lichtenberg __ NEXUS / MARABU


Arnd Liman __ NEXUS / DIGITAL PATHOLOGY


Pawel Masadynski __ NEXUS Polska


René Mewes __ ViREQ


Heiko Münch __ NEXUS / CHILI


Sebastian Münch __ NEXUS / SWISSLAB


Cornelia Neuendorf __ NEXUS / ASTRAIA


Thomas Nieth __ NEXUS / HIGHSYSTEM


Thomas Pettinger __ NEXUS / SCHAUF


René Pfeiffer __ NEXUS Deutschland


Roland Popp __ Nexus AG


Michael Pozaroszczyk __ MARIS Healthcare


Holger Rambach __ ifa systems


Loïc Raynal __ NEXUS France


Friedhelm Rösner __ NEXUS Schweiz


Claus Rückert __ ITR Software


Christian Sauer __ ViREQ


Michael Schaaf __ NEXUS / DIGITAL PATHOLOGY


Daniel Schäfer __ NEXUS / REHA


Tobias Schlecht __ NEXUS Deutschland


Wolfgang Schmezer __ NEXUS/ENTERPRISE IMAGING


Thorsten Schmidt __ NEXUS/ENTERPRISE IMAGING


Eric Schnur __ MARIS Healthcare


Evelin Schröck __ GEPADO


Andreas Schwengeler __ NEXUS / CREATIV


Ulrike Stahnke __ NEXUS / E&L


Andrea Stegmann __ NEXUS / ASTRAIA


Sabine Süsskind __ NEXUS / CHILI


Ewa Szalczyk __ NEXUS Polska


Jean-Marc Trichard __ NEXUS France


Sylvia Unger __ NEXUS / EPS


Hannes Wehinger __ Nexus AG


Vico Weist __ ViREQ


Tobias Wunden __ ANT-Informatik

User-friendly thanks to an easily customizable interface.

We ensure that users find their way around easily in all modules thanks to a uniform user experience platform. We provide a unique user experience with our modern “Workspace Navigation”, which enables more intuitive and faster use.

individual

modular

__ Economy, Purpose, Sustainability

EUR 241.5 M
SALES

EUR 50.4 M
EBITDA

EUR 97 M
LIQUID ASSETS

1,930 EMPLOYEES
WORK AT NEXUS

ON
38 SITES

671 THEREOF
IN DEVELOPMENT

>10,000
CUSTOMERS
IN
>70 COUNTRIES
USE THE SOLUTIONS
OF NEXUS

ONE NEXUS

THEREOF

>2,500 CUSTOMERS
RADIOLOGY

>500 CUSTOMERS
CARDIOLOGY

>500 CUSTOMERS
PATHOLOGY

>600 CUSTOMERS
OPTHALMOLOGY

AS

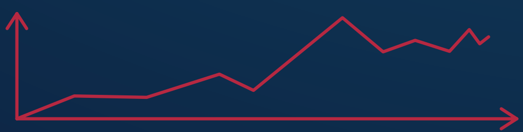
>550 CUSTOMERS
HIS

>900 RETIREMENT
HOMES

>300 LABORATORIES

EUR 45 M
DEVELOPMENT
INVESTMENTS

SHARE PRICE
DEVELOPMENT
+133 %
IN 5 YEARS



TOP 4 IN
SUSTAINABILITY
ASSESSMENT
(GAIA REPORT)

-29,69 %
POWER CONSUMPTION
PER €M IN SALES IN 2019

-38,56 %
FUEL CONSUMPTION
PER €M IN SALES IN 2019

06 __ Group Management Report of Nexus AG

BASIC PRINCIPLES OF THE GROUP

__ Business model

NEXUS develops, sells and services software solutions for facilities of the healthcare system. All software solutions are designed to enable hospitals, rehabilitation facilities, specialist clinics and nursing homes to manage processes more efficiently and provide the staff with more time for patients. NEXUS develops software solutions by bringing together the know-how and ideas of customers and its own employees and can draw on extensive expert knowledge from various European countries. NEXUS offers the following product groups:

+ NEXUS / HIS^{NG}: Complete information system for somatic hospitals in Germany
+ NEXUS / PSYCHIATRY^{NG}: Complete information system for psychiatric institutions
+ NEXUS / REHA^{NG}: Complete information system for rehabilitation facilities
+ NEXUS / ITR: Software for rehabilitation, private, acute care clinics not providing surgery and hotels with medical care
+ NEXUS / ARCHIVE and NEXUS / PEGASOS: Archiving and process management in healthcare
+ NEXUS / QM: Information systems for quality management in the healthcare system
+ NEXUS / INTEGRATION SERVER: Interface management for hospital information systems
+ NEXUS / CLOUD IT: Outsourcing solutions in healthcare
+ NEXUS / EPS: Software solutions to supplement SAP personnel management as well as HR consulting in the SAP environment
+ ifa systems: Software solutions in ophthalmology
+ Sophrona Solutions: Patient and referral platform in ophthalmology
+ NEXUS / DIS: Interdisciplinary diagnostic information system
+ NEXUS / SWISSLAB: Premium Laboratory Information System
+ NEXUS / LAURIS: Order communication in diagnostics
+ NEXUS / PATHOLOGY and NEXUS / CYTOLOGY, dc-Pathos and dc-LabMan: information systems for pathological and cytological devices, print management for cassette and slide printers
+ NEXUS / CHILI: Teleradiology solutions, Information (RIS) and image system (PACS)
+ NEXUS / ASTRAIA: Information system for women's hospitals and special findings in obstetrics and gynecology
+ NEXUS / SPECIAL DIAGNOSTICS and Clinic WinData (CWD): Information systems for medical specialist diagnostics and device integration
+ NEXUS / HIS: Complete information system for somatic hospitals in Switzerland
+ NEXUS / HOME: Complete information system for senior citizen homes and nursing home chains
+ NEXUS / OUTPATIENT CARE and asebis: The complete Spitex (home care) solution for the Swiss market
+ NEXUS / PAT: Complete administration information system for Swiss hospitals
+ SINAPSI: Special hospital information system for Ticino hospitals
+ osoTEC: Software solutions for billing personal and other services
+ highsystemNET: Life cycle client management
+ CREATIV OM: CRM for non-profit organizations and healthcare institutions
+ SEXTANT: Cloud CRM for non-profit organizations
+ Emed: Web-based hospital information system for French and Spanish healthcare institutions
+ NEXUS / AEMP, NEXUS / SPM and EuroSDS: Information system for product sterilization processes in hospitals
+ NEXUS / EPD: Complete information system for somatic and psychiatric institutions in the Netherlands
+ RVC Software: Medical diagnostics

+ **NEXUS / VITA and TESIS VITA:** Complete information system for In-vitro clinics

+ **NEXUS / ESKULAP:** Complete information system for somatic and psychiatric institutions in Poland

+ **One ICT:** ICT intrastructure installations

+ **PathoPro:** Information system for pathological laboratories

+ **IBS:** Findings communication solution

+ **Heimsoft:** Resident administration for the nursing home sector

+ **Wintime 2000:** Workforce deployment planning

+ **GEPADO Xpro:** Software solution for genetic laboratories

+ **Maris_Spracherkennung_B|Flow_GLASS:** Documentation and telemedicine systems in the healthcare sector

+ **VIREQ LabGate:** Laboratory communication for senders

+ **VIREQ conGATE:** Integration solutions with Mirth Connect

+ **NEXUS / Schauf:** Digital patient guidance and call systems

+ **Smart Liberty:** Mobile nurse and alarm call in long-term care

NEXUS markets software solutions, installs them at customers' and handles maintenance of the solutions in the sense of further development and consulting. If requested, NEXUS operates the software in own or rented data centers and provides overall customer support.

NEXUS software architecture is modular, interoperable and service-oriented. The service orientation of the products makes it possible to integrate functions (services) also into third-party products. In this way, regular customers and newly acquired companies can profit directly from additional functions.

The various modules of the software solutions are used for improving administration processes, billing processes and the course of treatments as well as for optimizing the quality of the documentation of patient data. The goal of our products is to offer tools for facilities in the healthcare system, with which they can digitalize, accelerate and improve the quality of their business processes. IT services round out our range of services.

NEXUS Group is represented at the sites Donaueschingen, Berlin, Dossenheim, Nuremberg, Frankfurt am Main, Freiburg im Breisgau, Hanover, Dresden. Magdeburg, Ismaning, Lindenberg, Heiligenhaus, Gladbeck, Saarbrücken, Otterberg, Ulm, Jena, Kassel, Neckarsulm, Offenburg, Ratingen, Münster, Frechen, Singen (Hohentwiel), Siegburg, Langenfeld, Brandenburg a. d. H., Illingen, Vienna (AT), Antwerpen (BEL), Wallisellen (CH), Widnau (CH), Schenkon (CH), Basel (CH), Lugano (CH), Zürich (CH), Le Landeron (CH), Salenstein (CH), Grenoble (F), Vichy (F), Baarn (NL), Nieuwegein (NL), Amersfoort (NL), Fort Lauderdale (USA), St. Paul (USA), Oklahoma City (USA) as well as Sabadell (ES) and Posen (PL). Nexus AG sets the decisive strategic orientation of the Group.

The following changes were made in the ownership structure in 2023:

+ Zwicky Electronic AG, Bottighofen (Switzerland), was merged with NEXUS Schweiz AG, Schenkon (Switzerland) with retroactive effect from 1 January 2023.

+ ifa systems AG, Frechen, purchased a 100% share in arkandus Software GmbH, Peissenberg on 8 March 2023.

+ NEXUS Digitale Dokumentationssysteme Projektentwicklungs.m.b.H. Vienna (Austria) was renamed NEXUS / Österreich GmbH on 15 March 2023.

+ NEXUS AG purchased a 75% interest in Schauf QX GmbH, Langenfeld, on 20 April 2023. A put/call option contract exists for a further 25% of the shares.

+ Schauf QX GmbH was renamed NEXUS / SCHAUF GmbH on 20 April 2023.

+ NEXUS Schweiz AG, Schenkon (Switzerland), acquired the remaining 90% of SmartLiberty SA, Le Landeron, (Switzerland) on 2 May 2023. A put/call option contract exists for a further 10% of the shares.

+ Nexus AG acquired a further 1.36% of the shares of the subsidiary RVC Medical IT Holding B.V. Amersfoort, Netherlands, on 12 May 2023 from the existing option agreement.

+ NEXUS Schweiz AG acquired the remaining 20% of the shares of the subsidiary osoTec GmbH, Schenkon (Switzerland), on 12 June 2023 from the existing option agreement.

+ NEXUS AG purchased a 51% interest in MARIS Healthcare GmbH, Illingen, on 10 July 2023. A put/call option contract exists for a further 49% of the shares.

+ NEXUS AG purchased 100% of vireq software solutions GmbH, Brandenburg an der Havel on 22 August 2023.

+ NEXUS AG purchased an 84.85% interest in VIREQ eHealth GmbH, Salenstein (Switzerland), on 22 August 2023.

+ Nexus AG acquired 4.8% of Weist GmbH, Brandenburg an der Havel, on 22 August 2023. A put/call option contract exists for a further 95.2% of the shares.

+ NEXUS AG acquired the remaining 16.27% of the shares of the subsidiary NEXUS / CHILI GmbH, Dossenheim, on 29 November 2023.

+ NEXUS AG purchased the remaining 15.15% of the shares of the subsidiary ViREQ eHealth GmbH, Salenstein (Switzerland), on 16 December 2023.

__ Control System

NEXUS Group is divided into three divisions (NEXUS / DE (Germany), NEXUS / DIS (Diagnostic systems) and NEXUS / ROE (Rest of Europe)) and into various business areas within the business areas. Each business area has its own business model. The basis of the business area strategies are the product program, market, technology and sales strategies of the NEXUS Group. The segments and business areas are controlled via measurement of two uniform key figures (according to IFRS accounting standards): sales and Sales and EBT. The Executive Board checks the key figures quarterly.

__ Research and Development

NEXUS Group does not conduct any of its own research, but instead exclusively software development. In 2023, investments were especially made for developments for the products NEXUS / NAR, NEXUS / HIS^{NG}, NEXUS / RADIOLOGY^{NG},NEXUS / CWD^{NG}, Emed and NEXUS / MOBILE apps. Additional supplementary products were developed new and launched on the market directly. The NEXT GENERATION software (NG) product platform is being developed within Nexus AG and supported by the creation of a separate development group.

Total expenses for developments in 2023 amounted to KEUR 44,572 in (previous year: KEUR 39,023), and consequently represented 18.5% of sales revenues (previous year: 18.7%). Of the total development expenses, KEUR 3,777 (previous year: KEUR 2,380) were capitalized. This corresponds to a capitalization rate of 8.5% (previous year: 6.1%). Depreciation on capitalized own development costs amounted to KEUR 3,807 (previous year: KEUR 4,053).

For the fiscal year 2024, it is expected that there will be a constant number of developments requiring capitalization. A total of people 612 were employed in the development sector at the end of the fiscal year (previous year: 553 employees).

ECONOMIC REPORT

__ Macroeconomic and General Industry-Related Factors

NEXUS sells mainly to customers in the public healthcare system domestically and abroad with focuses on Germany, Switzerland, the Netherlands, France, Poland and Austria. The order situation depends on the budget developments in the healthcare system of the individual countries. This was again demonstrated in the COVID-19 pandemic. There has been and will be increased investment in the healthcare system to remedy the weaknesses experienced at that time. Digitization is one of the main objectives of the investment projects.

This view is supported by the German Health information Act, the Ma Santé 2022 program in France, DigiSanté in Switzerland and other similar programs in European countries. Significant resources for the digitalization of healthcare have been and will be made available in these programs in the coming years. Based on that, we are going to derive the priorities of our development for the coming years.

The changes on the provider side communicated in 2023 are also resulting in changed general conditions. During the year, various software vendors have discontinued or changed their healthcare offerings. The resulting dissolution dynamics will change market shares over the next few years.

While economic developments are less significant for the business development of the Nexus Group, it can be seen that the consequences of the Russian war, the energy crisis, the weak economic development in Germany and inflation can result in significant burdens on public finances in European countries and have a retroactive effect on healthcare budgets. Especially in Germany, savings in public budgets are publicly negotiated. This can result in a reduction in the growth expectations of the NEXUS Group in the short and medium term. A reliable forecast of these developments is not possible at this time. However, the ongoing discussions about the hospital reform measures of the German government indicate that there will be changes in hospital financing in Germany.

At the moment, we still expect that improvements in healthcare through modern information systems will remain a fixed priority for the healthcare system of almost all countries.

On the basis of the general conditions described above, we also derive the priorities of our corporate development for the coming years.

__ Technology Trends

The tracking of technological trends is an important part of the strategy development of the NEXUS Group. Technology decisions have a long-term effect in software development and significantly determine the long-term success of our company. In addition to our market observations and own developments, we follow the reports of research institutes (e.g. Gartner TOP 10 Strategic Technology Trends for 2024 (c), Nucleus Research top 10 predictions for 2024, Forrester Top 10 Technology Trends 2024 and Accenture: Technology vision) on current technology trends and thus create a framework for our technology strategy. We have classified the following trends as significant for us in 2024.

__ Trend I: AI as a driver of innovation

The application of artificial intelligence (AI) has become commonplace today, and it still dominates technology trends in software development. It remains the driving force behind a variety of innovations in 2024. IDC expects that 40% of core IT spending will be related to artificial intelligence by 2025. There are currently a number of trends in the development of AI that are also important for the further development of NEXUS:

Generative AI code generation tools are becoming more important

AI coding tools can predict which single- or multi-line code fragments might come next and accelerate software development. Using it to migrate apps to the next generation can contribute significant efficiencies and quality gains. Gartner expects that around 70% of developers will use AI coding tools in 2027.

User expectations for AI-powered products and services are rising.

Generative AI forces user experience (UX) designers to meet the increasing expectations of users for AI-controlled products and services. With the increasing proliferation of conversation-based user interfaces, users expect this feature in software products. Failure to provide this feature will cause acceptance problems.

AI changes the lifecycle of software testing.

From test planning to the generation of test data to error analysis: the life cycle of software tests must be planned in the future with the inclusion of "generative AI". The efficiency and quality gains in the test cycle are significant.

AI becomes a development partner

The deep integration of AI into the product lifecycle requires significant process changes in software development. This includes an "AI-first mentality" in development projects, controlled tool selection and a new software engineering role distribution. This includes the deep integration of AI governance teams on all elements of the AI Security Management Program (AI TRISM).

AI becomes a customer

The use of AI to support purchasing decisions is becoming a reality in many areas. The buying behavior of AI-driven customers is logical, rational, and clearly different from marketing and selling to human customers. Setting up technical platforms for machine customers to interact based on new preferences will be a challenge for the future.

NEXUS' development strategy integrates AI trends in product development in particular and sees significant efficiency potential that can be leveraged.

__ Trend II: Retrieval Augmented Generation with enhanced LLMs

The language model "Generative Pretraining Transformer (GPT)" with the prototype chatbot "ChatGPT" has led to a wave of applications and follow-up developments in recent months. Chatbots can provide human-like and adaptable answers to user questions by training them on large amounts of text data and other sources of information, consequently providing substantial efficiency potential in many areas.. However, the use of ChatGPT, Google Bard and other LLM (Large Language Model) offerings requires a number of compromises that are unacceptable to many companies. For example, their prompts and code may be used in future updates to vendor products, which could violate privacy laws and expose important intellectual property. In the medical field, the reliability of the results is a prerequisite for their use, which is not the case with current LLMs.

This is why the trend toward retrieval-augmented generation (RAG) is emerging. RAG improves the output quality of LLMs by anchoring the model's response to external knowledge sources. This complements the inherent data representation of the LLMs. LLMs are known for the problem of hallucination: They produce results that are not based on factual data. The integration of RAG with LLMs for questions answering tasks addresses this issue. Anchoring the LLM in external and verifiable data prevents the model from deriving information solely from its parameters. This reduces the risks associated with data leaks or the creation of inaccurate or misleading data. Other advantages of RAG include updating the model with up-to-date, reliable information and allowing users to trace the sources of the model, ensuring the authenticity of the statements.

NEXUS uses GPT technology in customer communications, medical text generation, and natural language system queries. Enhancement to RAG would open up even more applications

__ Trend III: AI TRiSM – Creating AI trust and security

As artificial intelligence algorithms become more sophisticated and complex, governance, trustworthiness, fairness, reliability, efficiency, and data protection must be increasingly integrated into AI operations. The framework AI TRiSM (AI TRiSM: Artificial Intelligence (AI) Trust, Risk and Security Management) developed by Gartner is representative of the requirement. It combines tools and processes that make AI models easier to interpret and explain, while improving overall data protection and security. Gartner predicts that organizations that operationalize AI visibility, trust, and security will see a 50 percent improvement in AI model outcomes related to acceptance, business goals, and user adoption.

NEXUS is involved in the integration of artificial intelligence algorithms in various areas of software development. Especially in the medical field, the aspect of “being able to easily explain and understand AI results” is of particular importance. Physicians must be able to identify the basis on which AI provides a diagnostic recommendation and explain it to their patients.

__ Trend IV: Vertical Scaling of Cloud Platforms

Cloud-based platforms are increasingly changing toward the “Vertical Cloud" and "Distributed cloud “and are being developed on “cloud-native platforms”. In the “Distributed Cloud”, cloud services are distributed across physical locations. However, the operation, control and development remain the responsibility of the public cloud provider (hyper regionalization). The advantage: Customers can continue to benefit from the public cloud and do not have to manage a private cloud, which can be costly and complex. To scale their business, companies also use specialized clouds for vertical markets.

Distributed cloud platforms and vertical cloud offerings are also increasing rapidly in healthcare. Cloud acceptance is now high in actual practice. Platform programs are developing at the same time, which will enable use of new technologies in a more flexible and scalable manner. The aim is to improve application portability and hosting flexibility with containers, abstractions and programming interfaces (APIs). These cloud-native platforms and technologies also make it possible to create new application architectures that are elastic and agile. They replace the traditional lift-and-shift approach to cloud migration, which has proven to be unsuccessful in many cases. The era of distributed enterprise software through cloud-native technologies such as container platforms and serverless computing as well as cloud-to-edge integrations has already begun according to the research institutes. NEXUS sees this trend as an opportunity. Our platform strategy especially enables us to innovate and become increasingly cloud-native.

__ Trend V: Vertical Cloud Solutions Discover the Healthcare Market

The healthcare market is characterized by strict compliance guidelines, qualification and certification requirements, and the complex planning requirements of the healthcare sector. This makes it a first-class candidate for special, vertical cloud solutions. As more healthcare institutions move away from on-premise or legacy solutions, there is more demand for solutions with pre-configured features that also meet compliance requirements. NEXUS is well positioned for this trend thanks to our modular system and is investing intensively in this market. Examples of vertical cloud products are NEXUS / ASTRAIA in pregnancy diagnostics and our NEXUS / telemedicine solution in emergency surgery.

__ Trend VI: Virtualization of the Healthcare Market

Healthcare institutions are increasingly operating virtually: in administration, in telemedical applications and through biofeedbacks. The use of telemedicine has become more and more a matter of course for patients and healthcare professionals in recent months. We see this in actual practice every day. The healthcare landscape is expected to move further toward a digital model, especially as wearables, voice assistants and increasing connectivity become the norm.

The advantages are obvious: Predictive models and proactive recommendations of wearable devices enable personalized preventive medicine and will result in better health results. This will increasingly be done in the context of virtual care. It is easier to get an appointment, vital signs are monitored regularly and better information about health and lifestyle issues is made possible. Finally, advances in the development of AI technology through the further development of precision medicine and targeted drugs will result in more personalized healthcare. NEXUS is supporting this trend through its own telemedicine products (Tkmed), portals (NEXUS / PORTAL) and participates intensively in research projects (e.g., at Charité Berlin) for the digital support of chronically ill people in the home environment.

__ Trend VII: Industry-Specific CRM Solutions

The horizontal CRM solutions that have dominated the market to date have their limitations when it comes to mapping industry-specific business processes. The industry solutions of the major CRM providers have so far not been able to fully meet the requirements of the markets for specific process support. In recent years, industry-specific CRM solutions have therefore become more and more popular. Brand differentiation, the shift to cloud services, and front office modernization are key drivers of this trend.

NEXUS became involved in the market of industry-specific CRM solutions for non-profit organizations and healthcare institutions at an early stage with the NEXUS / CRM division. The importance of patient and donor communication can hardly be overestimated for the long-term financing of these industries. We are still at the beginning of these developments, but we expect hospitals and residential-care institutions to demand CRM industry solutions relatively soon.

__ Trend VIII: Continuous Threat Exposure Management (CTEM) and Privacy Enhancing Computation

Even more cybercriminals have been active in the healthcare sector since the outbreak of the war in Ukraine. Institutions have attacked and databases encrypted. It is assumed that the ransomware crime will again reach new dimensions in the coming years. Veritable “cartels” are increasingly forming, which coordinate their attacks in a targeted manner and pursue long-term strategies.

Working from home, the progressive digitalization of society and the increasing online orientation offer many possibilities for phishers, hackers and extortioners. These cybersecurity attackers are rapidly changing their methods, making it difficult for our customers to automate controls and install security patches to keep up.

But governments, public agencies, and businesses are also using IT to control the specific behavior of employees and citizens. wearables, phones, GPS trackers, facial recognition, time tracking and social media: The leftover “digital dust” is used to analyze, reward (e.g., lower health insurance premiums) or punish (e.g., termination of insurance coverage) activities.

Therefore, continuous threat management (CTEM) programs are essential. The insight that no organization can protect itself against every cybersecurity event has now prevailed. The establishment of control processes that can detect, actively prioritize and validate threats and ultimately mobilize resources to defend against them are summarized under the term CTEM

In addition, the term "privacy enhancing computation" aims to enable the processing of personal data even in untrustworthy environments. This includes building flexible, composite architectures (Cybersecurity Mesh) that integrate widely distributed and disparate security services and improve overall security. These check identity, context, and policy compliance in cloud and non-cloud environments.

NEXUS has to operate continuous threat exposure management internally and in product development. We are particularly challenged in our sensitive environment, in which personal data are processed. We have introduced CTEM processes and are working to improve our overall security through Cypersecurity Mesh.

__ Trend IX: Sustainable Technologies

Gartner defines sustainable technology as a framework of digital solutions that enable environmental, social, and governance (ESG) outcomes for the company and its customers.

"Sustainable technology" is becoming increasingly important for operating IT environments – for example, for cost optimization, energy saving, and asset utilization – but it also promotes ESG outcomes such as improving well-being and providing the traceability required for responsible business practices (Supply Chain Act).

Meanwhile, the demand for more sustainable products and practices is widely shared among all corporate stakeholders. The focus is not only on adding value to the business itself, but also on whether technology can provide a smarter way to a more sustainable future.

In this sense, work on new technologies will also be in a targeted manner for individual employees and investors. The requirements for compliance with ESG criteria document this view and show that an increasing trend toward meaningful technology is developing. The role of NEXUS as a technology provider is also changing rapidly in this sense. We are already assessing all development projects for their environmental and social impact – both at our company and at our customers – and are focusing our development capacities on this area. This also includes our initiatives on the topic of "Green Coding", which we have consistently followed and documented in our Sustainability Report.

__ Trend X: Automated Report Generation

After years of stagnation, the topic of automatic report generation is becoming significantly more important again. Software that accesses medical data such as X-rays, endoscopic images, laboratory results, and other medical records to produce findings is becoming increasingly powerful through the use of artificial intelligence and more standardized medical content. The advantages are obvious: Reports can be generated faster, with improved accuracy and scalability. NEXUS has been offering intelligent report generation software called NEXUS / ADVANCED REPORTING since 2023. With this software, structured reports can be quickly and intuitively generated for a number of examinations, which are uniform and evaluable. The expansion to other specialist departments and further integration of artificial intelligence is a task for us in the coming months.

__Outlook

Tracking key technology trends is a key aspect of the NEXUS development strategy. As part of our strategic planning for 2022-2026, we have also revised our technology strategy. Topics such as "Data Lakehouses", "Industry-specific CRM solutions" or "Vertical cloud native platforms" have already become part of our development program. "Chatbot technologies" will be incorporated into our development planning in the coming months and other areas of "artificial intelligence" will be pursued intensively as part of research projects and prototype development.

We need to continue to pay particular attention cybersecurity on all levels, both for our internal systems and for the customer systems. "Continuous Threat Exposure Management (CTEM)" and "Privacy-enhancing" computation plays a key role in this.

The trend towards sustainability and in this context towards green coding has also found a firm place in our development strategy and is already recognizable in the new software generation.

__ Competitive Environment and Market Position

NEXUS is well positioned on the market as an innovative solution provider in the European healthcare sector. Our successes, the long-lasting growth and the number of installations has led to an increase in the name recognition of the NEXUS. We continued to pursue further expansion of our European activities in a sustainable manner in 2023 and consequently achieved an increase in sales.

Despite the difficult general conditions, the financial year developed very positively overall. The consequences of the Russian war, high inflation, the energy crisis, the shortage of skilled workers, the savings discussions of public budgets and the budget problems of hospitals in many countries are challenges that we continue to face.

However, we were able to take advantage of our strong product position and ongoing government programs to digitalize the healthcare system and more than compensate for the stress factors. As a result, we have realized significant sales increases in all countries and have been able to win numerous new customers for us. Noteworthy here are the products NEXUS / HIS^{NG}, NEXUS / CHILI, NEXUS / PEGASOS and NEXUS / NAR. In the area of HIS overall systems, we were able to win some important orders, especially in Germany, the Netherlands, Poland and Switzerland.

The market for software systems in the healthcare sector is still characterized by tough competition and high concentration of suppliers. Consolidation within our sector continued to progress considerably in 2023. In France, DOCAPOSTE bought the provider "Maincare Solutions S.A.S", and the private equity company "GPI Capital" acquired the provider "Evolucare Technologies S.A.S". In England, the sale of "EMIS Group Plc." to a subsidiary of "UnitedHealth Inc." from the USA was completed. "NextGen Healthcare Inc." was acquired by ThomaBravo LP in the USA.

SAP Deutschland SE & Co. KG has announced that its product "Patient Management (i.s.h)" will be phased out and Oracle Cerner has announced the discontinuation of the European solution i.s.h.med.

NEXUS belonged to a slight extent to one of the active consolidators on the market in 2023 and strengthened its position with acquisitions in Switzerland and in Germany. It can be assumed that the consolidation pressure will continue in the coming years and that the new market situation will lead to shifts. NEXUS was able to continue benefiting from its strong consolidation and take advantage of the opportunities offered by its independent position in the market. NEXUS is one of the leading competitors in Europe in terms of total annual revenue.

__ Key Financial Performance Indicators

The key financial performance indicators (KPI) for NEXUS, namely "Revenue" and "Earnings Before Taxes" experienced positive growth within the Group Nexus's significant non-financial performance indicators (KPIs) are environmental concerns.

__ Business Performance

__ Presentation of the Asset, Financial and Profit Situation

__ **Profit Situation**

In 2023 NEXUS has consolidated sales of KEUR 241,459 after KEUR 209,128 in 2022. The increase in sales amounted to KEUR 32,331 or an increase of 15.5% compared to the previous year. The strong increase in sales had a positive impact on the earnings situation due to the economies of scale.

In the financial year, a total of KEUR 3,777 of own services were capitalized, which is approximately 59% more than in the previous year (previous year: KEUR 2,380). Other operating income decreased from KEUR 5,676 in the previous year by KEUR 1,099 to KEUR 4,577, including non-recurring income from the derecognition of current liabilities in the amount of KEUR 2,036. The cost of materials was KEUR 42,180 and increased by 20.3% to compared to the previous year (KEUR 35,049); the increase was thus higher than the increase in sales in percentage terms. The increase in personnel expenses from KEUR 117,847 to KEUR 133,305 (13.1%) mainly results from the increase in the number of employees and personnel costs incurred as a result of the company acquisitions of the fiscal year. In the financial year KEUR 2.204 (previous year: KEUR 0) directly attributable costs for the fulfilment of contracts were capitalised.

EBITDA 2023 reached KEUR 50,389 (after KEUR 44,292 in 2022) and was thus 13.8% above the previous year. Depreciation amounted to KEUR 18,516 (previous year: KEUR 16,504). This mainly concerns scheduled depreciation on capitalized development costs, technologies and customer relations.

EBT improved significantly from KEUR 27,260 in the previous year to KEUR 32,994 (21.0%). Thanks to optimised treasury management in an environment of rising interest rates, interest income increased significantly from KEUR 476 to KEUR 2,875. This outperformed the forecast slightly increasing EBT.

The Group annual surplus increased compared to the previous year (KEUR 19,769) to KEUR 23,792 (20.4%). The lower increase in consolidated net income compared to the EBT can be explained by the tax rate of 28 %.

In the NEXUS / DE division, sales of KEUR 77,574 were realized after KEUR 67,119 in the previous year (15.6%). In the NEXUS / DIS division. sales of KEUR 53,242 were realized after KEUR 46,513 in the previous year (14.5%). In the NEXUS / ROE division, sales of KEUR 110,643 were realized after KEUR 95,496 in the previous year (15.9%).

Slightly increasing sales were assumed in the forecast report 2022. This forecast was slightly exceeded. The initial consolidation of the arkandus GmbH, Peißenberg, NEXUS / SCHAUF GmbH, Langenfeld, SmartLiberty SA, Le Landeron (CH), MARIS Healthcare GmbH, Illingen, vireq software solutions GmbH, Brandenburg an der Havel, Weist EDV GmbH, Brandenburg an der Havel and VIREQ eHealth GmbH, Salenstein (CH) affected sales by the amount of KEUR 10,763.

EBT within the segments exceeded the forecast. The NEXUS / DE division had significantly improved EBT from KEUR 10,423 in the previous year to KEUR 12,498 (19.9%). The NEXUS/ DIS division had significantly improved EBT from KEUR 7,097 in the previous year to KEUR 9,575 (34.9%). In the NEXUS / ROE division, sales of KEUR 10,921 were realized after KEUR 9,740 in the previous year (12.1%).

The initial consolidation of arkandus GmbH, Peißenberg, NEXUS / SCHAUF GmbH, Langenfeld, SmartLiberty SA, Le Landeron (CH), MARIS Healthcare GmbH, Illingen, vireq software solutions GmbH, Brandenburg an der Havel, Weist EDV GmbH, Brandenburg an der Havel and VIREQ eHealth GmbH, Salenstein (CH) affected EBT by the amount of KEUR -2.259.

The development of the earnings situation of the Nexus Group is positive from the point of view of the Executive Board.

__ Asset situation

Goodwill and brands with an indefinite useful life of KEUR 144,468 (previous year: KEUR 117,972) have risen significantly. This is mainly due to the inflows of goodwill in the context of the acquisitions in the reporting period. For the other intangible assets in the amount of KEUR 60,312 (previous year: KEUR 33,985), which are composed mainly of our own capitalized developments as well as acquired technology and customer relations, there were no indications of value reductions in 2023. In the 2023 financial year, contract fulfilment costs in connection with customer contracts amounting to KEUR 2,204 (previous year: EUR 0) were capitalised for the first time in accordance with IFRS 15.95. Intangible assets total KEUR 204,780 (previous year: KEUR 151,957) and thus to 49.7% (previous year: 44.1%) of the balance sheet total.

As of 31/12/2023, inventories increased by KEUR 2,246, mainly due to hardware inventories.

Trade and other receivables increased by 20.8% and amounted to KEUR 46,083 on 31/12/2023 following KEUR 38,154 in the previous year.

Cash and cash equivalents short-term cash management and forecasts amounted to KEUR 97,434 as of 31/12/2023 (previous year: KEUR 110,019). This corresponds to 23.7% (previous year: 32.0%) of the balance sheet total.

The equity capital of NEXUS Group amounted to KEUR 258,582 on the cut-off date following KEUR 238,946 in the previous year, which corresponds to an equity capital rate of 62.8% (previous year: 69.4%).

A dividend of EUR 0.21 per share (previous year: EUR 0.20) was paid to stockholders in 2023.

The contract liabilities amounting to KEUR 24,040 (previous year: KEUR 16,610) relate essentially to the down payments received from customers for software projects.

__ Financial situation

The inflow and outflow of funds is shown in the cash flow statement. In 2023, the cash flow from operating activities amounted to KEUR 30,407 and was thus slightly lower than the level of the previous year (KEUR 33,875). The cash flow from investment activities was KEUR -17,022 as of the balance sheet date (previous year: KEUR -98,552). Payments for investments in short-term cash management and forecasts as well as for intangible assets and payments for acquired companies were the focus of investment activities. The cash flow from financing activities amounted to KEUR -16,722 (previous year: KEUR 57,969) and mainly includes payments for dividends, payments for the repayment of lease liabilities, incoming and outgoing payments for the sale and purchase of treasury stock and the acquisition of non-controlling interests of already fully consolidated companies.

No loans were taken from banks in the fiscal year. Existing credit lines at banks did not have to be used. We manage the liquidity of NEXUS primarily via a cash-pool system in which almost all subsidiaries operating in Germany are included. This allows cash surpluses and requirements to be balanced and the number of external banking transactions to be minimised. Free liquidity is invested centrally via the parent company at the best possible conditions.

__ Investments / Acquisitions

Please refer to the “Business model” section of the consolidated financial statements to learn about changes to the Nexus AG ownership structure.

__ Principles and Objectives of Financial Management

NEXUS financial management targets ensuring the financial stability and flexibility of the company. A balanced ratio between own and outside capital plays an essential role in this. The capital structure of NEXUS Group is composed of 62.8% equity capital, 16.3% long-term debts and 20.9% short-term debts. The long-term debt consists of pension obligations and other non-current liabilities. The current liabilities essential concern accruals, other financial liabilities and trade payables.

INFORMATION RELEVANT TO ACQUISITIONS

__ Composition of Subscribed Capital and Stock Exchange Listing

NEXUS AG is listed on the Frankfurt securities market in Prime Standard under securities identification number (WKN) 522090. The subscribed capital in the amount of EUR 17,274,695.00 (previous year: EUR 17,274,695.00) is composed of the following: Common stocks: 17,274,695 shares (previous year: 17,274,695 shares) at the accounting par value of EUR 1.00 each. Refer to the German Stock Corporation Law (Subsection 8 ff AktG) for information about the rights and obligations with respect to the individual den share certificates. A total of 17,264,609 shares (previous year: 17,229,256) have been issued as of the cut-off date.

__ Type of voting right control in the case of employee participations

There is no separation between voting right and stock for the employees with capital shares. Employees can exercise control rights directly.

__ Appointing and dismissing Executive Board members and amendments to the articles of incorporation

There are no more far-reaching provisions in the articles of incorporation beyond the statutory provisions for the appointment and dismissal of Executive Board members. In addition, there are no essential bylaw provisions, which deviate from legal regulations and flexible regulations.

__ Rights of the Executive Board in terms of the ability to issue or buy back shares, authorization to purchase treasury stocks

With its resolution on 16/05/2023, the Annual General Meeting of Nexus AG authorized the Executive Board to purchase treasury stocks up to a total amount of 10% of the capital available upon convocation of the Annual General Meeting prior to 30/04/2028, namely to purchase a maximum of 1,727,469 no-par value shares with a respective book value of EUR 1.00. The Executive Board is authorized to redeem the purchased treasury shares with the approval of the Supervisory Board without further shareholders’ resolution as well as the shareholders’ subscription rights in the case of the use of the treasury shares subject to the detailed provisions of point 8 from the agenda of the Nexus AG Annual General Meeting, as published in the Federal Gazette on 04 April 2023. The hitherto existing authorization of 12 May 2017 was thus revoked.

The Executive Board is also empowered to offer the stocks purchased with approval of the Supervisory Board to a third party within the context of company mergers or at purchase of companies or participating shares in companies. The subscription rights of stockholders to their own stocks are insofar excluded.

With regard to the information pursuant to Section 160 (1) no. 2 of the German Stock Corporation Law (AktG), we refer to the Appendix.

__ Authorized capital

The Executive Board is empowered to increase the capital stock of the company in the period until 31 March 2026 with approval of the Supervisory Board one time or several times up to a total of EUR 3,100,000.00 via issue of new no-par bearer stocks (individual share certificates) against cash and/or capital subscribed in kind (authorized capital 2021). The new shares can also be issued to employees of the company or an affiliated company. The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The Executive Board is also empowered – subject to approval by the Supervisory Board – to shareholders* subscription rights in the following cases:

+ For fractional amounts
+ For issue of new stocks to employees of the company or an affiliated company
+ For issue of new stocks against capital subscribed in kind for purchase of companies, company parts or shares in companies

+ At issue of new stocks against cash investment, if the issue amount of the new shares does not fall substantially short of the already the listed price of shares already listed on the securities markets of the same class and same investment at the time of final determination of the issue amount by the Executive Board in the sense of Sections 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Law (AktG) and the proportional amount of the capital stock for the new shares does not exceed 10% of the capital stock existing (EUR 15,752,231.00) at the time of entering this empowerment in the commercial register and – cumulatively – 10% of the new stocks existing at the time of the issue, for which the subscription right was excluded. The proportional share of capital stock is to be deducted at the highest limit of 10% of capital stock, which applies to the new or repurchased shares, which were issued or sold since entry of this empowerment in the commercial register with simplified purchase right exclusion pursuant or corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG). This applies as well to the proportional share of capital stock, which refers to the option and/or conversion rights from option and/or convertible bonds and/or conversion requirements, which were issued or sold since entry of this empowerment in the commercial register pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG).

CORPORATE GOVERNANCE STATEMENT AND COMPLIANCE STATEMENT

The (Group) declaration on corporate governance as well as the declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) were published on the company website: https://www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit.

SEPARATE NON-FINANCIAL STATEMENT

The Non-Financial Group Report in accordance with Sections 315b and 315c of the German Commercial Code (HGB) in conjunction with Sections 289c - 289e HGB was published on the company website https://www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit.

OPPORTUNITIES AND RISKS

The business operations of NEXUS Group are associated with opportunities and risks. Nexus AG has introduced a risk control and monitoring system for early detection, valuation and correct handling of opportunities and risks. The system covers Nexus AG including all majority-owned subsidiaries and is the responsibility of the Executive Board and the managing directors of the subsidiaries.

In addition, NEXUS is confronted with short-term, mid-term and long-term strategic and operative risks as a result of changes and stumbles within the regulatory environment of the industry and the in-house provision of services Risks from the war in Ukraine, the energy crisis and the COVID-19 pandemic exist currently in addition. Although NEXUS successfully managed the risks in 2023 and before that, the further course of crises could result in reduced revenues, higher costs, customer solvency issues and/or staff availability issues. NEXUS has focused risk management on all these aspects. The opportunities and risks listed below pertain to all three segments of the NEXUS Group.

__ Opportunity Report

Market and industry environment:

There are decisive chances, which could entail a considerable change of the economic situation at NEXUS, in the **market and industry environment**. NEXUS Group earns its sales revenues mainly from the sale of software licenses and services for the healthcare system in Germany, Switzerland, Austria, the Netherlands, France, Poland and Spain. The current macroeconomic environment is unstable and highly dependent on the further development of the energy crisis, the war, a possible recession, rising inflation as well as the development of the pandemic. In many European public budgets, medium-term budget cuts are to be feared, which also have an impact on the financing of public investments. In European countries, this includes the healthcare system and in particular hospitals. On the other hand, there are opportunities arising from the state programs to strengthen the healthcare system. In Germany in particular, considerable funds are being made available for the digitization of the healthcare system within the framework of the Hospital Future Act. It is striking that the digitization strategies of the public sector and many providers are now being conceived and designed across sectors, i.e., involving family doctors, rehabilitation institutions and patients. This is a development that will sustainably improve the efficiency of health IT.

According to the current forecast of the research and consulting firm Gartner, european IT spending is expected to rise by 9.3% to € 1.1 billion next year. Even more significant growth is seen in the area of enterprise software, which is expected to increase by approx. 14.5%.

The current global growth expectations for information technologies in the healthcare sector are very positive. Long-term forecasts assume average growth of 14% between 2022 and 2030 (GMI232, from 09/2022), and other forecasts even assume a CAGR of 18.5% in the period 2019-2030 (Emergen Research 2022). Regardless of the actual growth increase, published forecasts for the healthcare IT market indicate good prospects for the coming years. Currently, the market is primarily influenced by the digitization programs in many European countries. However, the positive assessments could be challenged by the high cost of solutions, implementation and infrastructure, as well as data security concerns.

Even if the figures do not provide direct information about revenue effects in relation to NEXUS Group, NEXUS assumes that the target group (somatic and psychiatric hospitals, medical care centers, rehabilitation, senior citizen and nursing homes as well as diagnostic center) will also continue to participate in the trend to increasing investments in business software. This provides considerable chances for NEXUS to achieve above-average growth. We therefore continue to be well equipped to take advantage of the opportunities on the market, attract new customers and improve our margin.

Technology and market position:

Our **technology**, our **market position**, our new **acquisitions** and our previously installed **customer base** are an excellent basis for this. The technology strategy of the Nexus Group, in particular the modular approach of our solutions, is becoming increasingly accepted on the market. The success of NEXUS is reflected in the large number of tenders won and new customer orders. We can use the current market situation (product discontinuations and multi-product problems at competitors) to present ourselves as an agile and focused company on the market. Nevertheless, the risks in our business remain. The risks relevant to the NEXUS Group are discussed in detail in the following risk report.

__ Risk Report

__ Basic principles

__ Risk management

NEXUS has implemented an internal monitoring system as well as controlling instruments and risk management appropriate for its relations. In addition to intensive cost and result management, which is monitored within the framework of management supervisory board meetings at regular intervals, there is a risk management manual. The primary objective of financial risk management is to define the acceptable risk and ensure that risks are not taken beyond the risk limits. The operational and legal risk management measures are designed to ensure the proper functioning of internal policies and processes, thereby minimizing operational and legal risks. The risk management system is explained in detail in the following sections.

__ Identification

NEXUS has identified the following risk groups:

+ Customer projects
+ Development projects
+ Lack of market acceptance of products
+ Expertise leaving the company
+ Risks of information security
+ Reputation
+ Data security and data protection
+ Occupational safety
+ Process risks
+ Regulatory and tax risks
+ Fraud risk
+ Development of subsidiaries
+ Macroeconomic and political risks

__ Organization

Reporting, documentation and development of measures are regulated in the risk manual of Nexus AG. The Executive Board checks its implementation at regular intervals. In 2023, nine risk reports were submitted to the Executive Board from the offices responsible for them, and the Executive Board evaluated them.

Purchasing is essentially order-related and arranged after discussing and agreeing on this with the project manager responsible. Payments are approved by the Executive Board at Nexus AG and by the respective managing director at the subsidiaries. The personnel settlement process for the domestic companies is carried out centrally in Donaueschingen and is subject to the double verification principle.

An Oracle database is used for recording performance of the development department. Steering is via quarterly planning. NEXUS Group uses ERP software (Enterprise Resource Planning), with which information is made available for workflow process and internal controls as well as for the purposes of reporting. In addition, there is regular exchange of information between the finance departments of the decentral subsidiaries and the central Group finance department.

Increased attention is being paid to the development of business areas. They report their results monthly to the Executive Board. The Executive Board is directly involved in decisive decisions. For the control and monitoring, the subsidiaries are currently combined according to products and markets, and they are in turn allocated to the three segments NEXUS / DE, NEXUS / DIS and NEXUS / ROE.

__ Valuation and control

The following table shows the risks of the NEXUS Group before risk management (gross risk):

Risk type	Probability of occurrence	Compared with previous year	Degree of financial impact	Compared with previous year
Operational risks				
Customer projects	High	→	Average	↑
Development projects	High	→	Average	→
Lack of market acceptance of our products	High	↑	Average	→
Expertise leaving the company	High	→	Average	→
Information Security risk	Average	→	Average	→
Reputation	High	→	Average	→
Data security and data protection	Particulary high	→	Average	→
Occupational safety	Low	→	Low	→
Legal and compliance risks				
Process risks	High	→	Average	→
Regulatory and tax risks	High	→	Average	→
Fraud risk	Low	→	Low	→
Financial risks				
Performance of subsidiaries	Particulary high	→	Average	↑
General economic and political risks	High	→	Average	→

					Probability of occurrence
Degree of financial impact		Low	Average	High	Very high
		≤ 30 %	> 30 % to ≤ 50 %	> 50 % to ≤ 80 %	> 80 %
Existential risk (high)	≥ 50 MEUR				
Significant risk (medium)	≥ 1 MEUR				
Relevant risk (low)	≥ 100 TEUR				

__ Operational risks

__ Customer projects

Implementation problems, especially technical ones, could result in penalties or undoing in the existing large projects, which could affect revenues and the market reputation negatively. Non-payment and payment delays in large projects due to temporary shortage of liquid funds or customer refusal to pay can result in liquidity problems for the company, especially when substantial advance performances are provided in large projects. Non-payment risk concentrations are created temporarily in the Group especially within large projects. The maximum risk amount is derived from the book value of the capitalized receivables and – if applicable – from damage claims or liability claims. This risk is reduced to the greatest extent possible by the agreement to provide down payments. Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled actively within the framework of debt management (e.g., credit checks).

It is also to be feared that the potential for implementing large-scale projects in hospitals and providers is partly lacking. In most of these hospitals, there is a lack of staff and organizational strength to achieve ambitious digitization goals.

__ Development projects

In the context of development projects, there is a risk of cost overruns if the planned man-days are not sufficient to complete the project, in particular if the project cannot be implemented technically. Development projects are subject to fixed deadlines. Exceeding these limits can result in considerable financial effects. Another risk is that development projects do not meet market needs. Through milestone plans with an integrated controlling process, NEXUS counteracts this risk and specifically counteracts it by regularly reassessing the market acceptance of the individual development projects.

__ Lack of market acceptance of our products

There is a risk that the high development state achieved by NEXUS is lost due to competitor innovations and consequently market shares lost. Risks also exist during the scheduling and budgeting of developments as well as in the design and quality of our developments, which can cause substantial effects on marketing and cost positions if scheduling and budgeting deviate from marketing specifications. In software development, third-party products are also used in part, the loss of which or if there is deficient technological quality could result in delays of our own software deliveries. Nexus AG faces these risks with annual, quality-checked releases, which go through a pre-defined quality management process.

__ Expertise leaving the company

The development of NEXUS AG is strongly dependent on the knowledge and Group-wide willingness to perform of its staff. There is a risk in principle to lose competent employees due to fluctuation and consequently lose market advantages. If a larger number of core know-how staff members leave the company, this can result in substantial difficulties in operational business dealings, at least in the short term. In addition, the labor market has experienced a lack of specialists for years. NEXUS counters this risk with active personnel development, an important component for far-sighted and reliable safeguarding of our human resources.

__ IT security and availability

Different risks may arise in the area of IT security and availability, which can result in penalty and recourse claims. Interventions and attacks by third parties (e.g., trojans and hackers) on the IT system of Nexus AG (external threat to IT security) pose a latent risk to IT security. In the area of performance and thus the availability of IT servers for our customers, there is another risk, which has a direct impact on IT availability. These risks can have serious material consequences for Nexus AG and its subsidiaries, since they depend on a functioning IT infrastructure. This risk is minimized by regular monitoring of the IT systems and ensuring the accessibility of the IT servers as well as redundant data backup.

__ Reputation

Reputational risk can have material effects on Nexus AG and its subsidiaries. It can occur due to the deterioration of the general asset, financial and revenue situation of Nexus AG, deterioration of its reputation on the capital market as well as a recall action of faulty software and misalignments in large projects. This risk is counteracted accordingly by regular review schedules by the persons correspondingly responsible persons.

__ Data security and data protection

Data security is understood to mean the protection of data by measures and software against loss, corruption, damage or deletion. This also means the protection of the individual from being impaired by the handling of his personal data in his right to informational self-determination. Data security is a prerequisite for data protection. It is an essential part of overall information security and also serves to prevent and combat cybercrime.

__ Occupational safety

Occupational safety is the safety of employees at work, i.e., the control and minimization of risks to their safety and health. Consequently, it is an integral part of occupational health and safety within the meaning of the Occupational Health and Safety Act, which requires measures to prevent accidents at work and Safety and Health at Work Act related health hazards, including measures for structuring work in according with the needs of people. Anyone who commissions or permits work as an entrepreneur or as a work commissioned by the entrepreneur that does not comply with the rules and standards of the respective industry can be personally prosecuted under criminal and civil law. A work safety officer for the Group has been appointed to minimize risks, who monitors occupational safety and trains employees accordingly.

__ Legal and compliance risks

__ Process risks

As a company listed on a stock exchange, Nexus AG is currently much more vulnerable than before in terms of the visibility of disputes. Significant risks could arise from commission suits brought by sales agents and employees, actions brought by shareholders for lack of equal treatment, information violation and customer actions for non-performance, nonfulfillment or damages. This risk is counteracted by a higher process reliability by means of our documentation.

__ Regulatory risks

At Nexus AG there are regulatory risks due to legal changes (especially the medical requirements for medical devices and regulatory changes with an impact on customer settlements), regulatory changes with regard to the capital market and regulatory changes in the accounting regulations (German Commercial Code [HGB, IFRS and tax law). These risks can have an impact on the operating business of Nexus AG and thus have an impact on the software development of Nexus AG and its subsidiaries. There is a risk of penalties from our customers. Regulatory risks with regard to the capital market can significantly increase the scope of the required activities in the framework investor relations. Furthermore, there is the risk of penalties imposed by the Federal Financial Supervisory Authority (BaFin) as and as the risk of back tax payments due to domestic and foreign audits. Changes in the rendering of accounts regulations may have an impact on the results of the consolidated and annual financial statements. The annual and consolidated financial statements are prepared centrally in Donaueschingen. The process of composing the year-end report is monitored centrally by the Chief Financial Officer as well as by the Executive Board of Nexus AG. The double verification is maintained on principle each time. Regular monitoring of the legal environment, relevant capital market laws and accounting regulations minimizes this risk.

__ Fraud risk

Fraud is understood to mean fraud, deception, bogus transactions or embezzlement in business enterprises. Fraud is the deliberate action of one or more managers and/or employees to obtain an unjustified or illegal advantage. Fraud is caused by the combination of three factors: Motivation is usually seen as a financial need (enrichment), which can also arise from subjectively perceived pressure (e.g., through bonus agreements/targets). The perpetrator must be able to justify the act to himself. Justification can be, for example, “I am entitled to the money anyway,” “This is how I create justice." or “I can't achieve my goals any other way.” The perpetrator has the opportunity (e.g., through the position of the employee or weaknesses in the internal control system due to “management override") to commit an offense. This risk is counteracted by regular monitoring of the cash and account balance of the business unit as well as ensuring functional controls within the framework of the ICS.

__ Financial risks

__ Risks due to the performance of subsidiaries

In the case of subsidiaries, different risks may arise due to the need to devalue the investment approaches, over-indebtedness and liquidity problems as well as integration problems. Due to the great number of subsidiaries, these risks must be regarded as particularly serious, since the misalignment of individual subsidiaries/profit centers can substantially influence Nexus AG overall. To minimize these risks, monthly business review dates, calendar quarterly reviews of business prospects and plans as well as the Executive Board's handling of integration plans are undertaken.

__ Macroeconomic and political risks

In particular, these are risks that may arise from political changes or the influence of macroeconomic developments. Nexus currently markets products and services in locations in 10 countries. Both the establishment of business relations in these countries and the business activity itself are associated with the usual risks for international business. In general, particular attention must be paid to the prevailing general economic or political situation of the individual countries, the clash of different tax systems, legal obstacles such as import and export restrictions, competition rules as well as regulations for the use of the internet, or guidelines for the development and provision of software and services. NEXUS counteracts these risks by regularly consulting national consultants at the time of market entry and in the further course of business in these countries and by maintaining an exchange with the local authorities. In principle, however, risks that can arise from changes in macroeconomic factors can never be completely excluded.

__ Monitoring and reporting

Controlling the internal monitoring and risk management system is the responsibility of auditing committee of the Supervisory Board. The risk manual of Nexus AG defines detailed measures for early risk detection, reporting and the respective risk holders. Despite all due care, it cannot be completely ruled out that personal discretionary decisions, faulty controls, fraudulent actions by individuals or other circumstances may limit the effectiveness and reliability of the internal control and risk management system used.

__ Summarized depiction of the chance and risk situation of the NEXUS Group

NEXUS as well as its subsidiaries work according to a uniform method of chance/risk analysis and chance/risk management. Early detection of risks is given decisive importance in this. In a risk-bearing capacity calculation, the gross risks are determined and shown as net risks after risk avoidance/mitigation measures and compared with the risk coverage potential (equity at book values).

The monitoring of risks by unambiguous key figures (sales and EBT) enables a clear assessment and its significance.

From the perspective of individual risks and from an overall risk position, it can currently be seen that the continued existence of the company is not endangered.

__ Internal monitoring and risk management system with respect to the accounting process

The internal monitoring and risk management system has the objective with respect to the accounting process to ensure the appropriateness and effectiveness of accounting and financial reporting. The annual and consolidated financial statements are prepared centrally in Donaueschingen. The process of composing the year-end report is monitored centrally by the Chief Financial Officer as well as by the Executive Board of Nexus AG. The double verification is maintained on principle each time. Even with the complete application of the systems used, the correct, complete and timely recording of facts in the consolidated financial statements cannot be guaranteed without exception.

OUTLOOK FOR 2024

Thanks to the positive market environment in the digitalization of the healthcare system and the numerous government funding programs, we at the NEXUS Group continue expect average organic sales and revenue growth until 2026. In addition, in 2023, our competitors announced a number of policy changes that we can use to gain further market share. The key to this assessment is our strong product positioning and the focus on interoperability of our systems. In addition, we plan to achieve further growth through company acquisitions.

In 2023, we completed seven acquisitions and were able to win a large number of tenders. We started the year 2024 with a high order backlog in the Group. We expect a large number of further tenders in 2024 and are optimistic that we can integrate the acquired companies.

However, it is still to be feared that the positive development will be limited by a lack of potential for implementation in hospitals . There is a lack of staff and organizational measure in many institutions to achieve ambitious digitization goals. The current financing problems of state budgets and the recession in Germany are exacerbating these problems . Financial bottlenecks in hospital budgets could result in projects being postponed or even canceled.

We still currently assume that the business consequences of the numerous crises will remain small for NEXUS in 2024. On the cost side, we will continue to optimize, pursue our integration projects in a targeted manner and continuously assess the further crisis phenomena and, last but not least, the shortage of skilled workers and make adjustments there if necessary. Our planning also takes into account further investments in internationalization as well as the expansion of our product range. Should significant changes occur in the consolidated Group in 2024, this could result in a change in planning.

We are therefore starting the year 2024 with a positive expectation for NEXUS AG and its subsidiaries. We will take advantage of the opportunities offered and actively manage the risks. in 2024, we will continue to focus on: them. We need to implement our large projects with high quality, integrate our acquired companies, and actively address new sales opportunities.

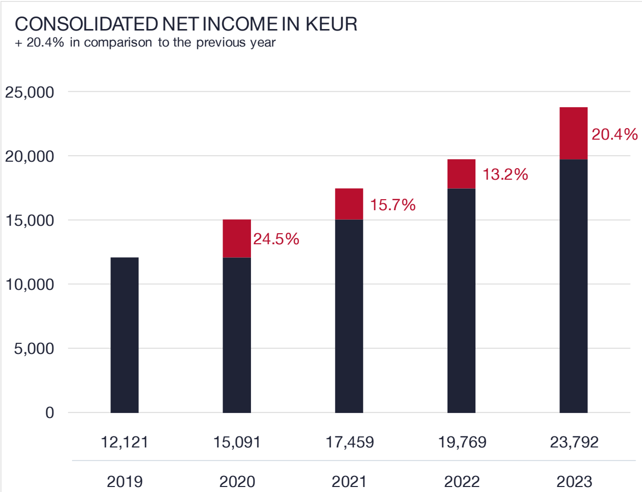
Nexus AG expects sales to increase slightly in all three segments and EBT to rise slightly.

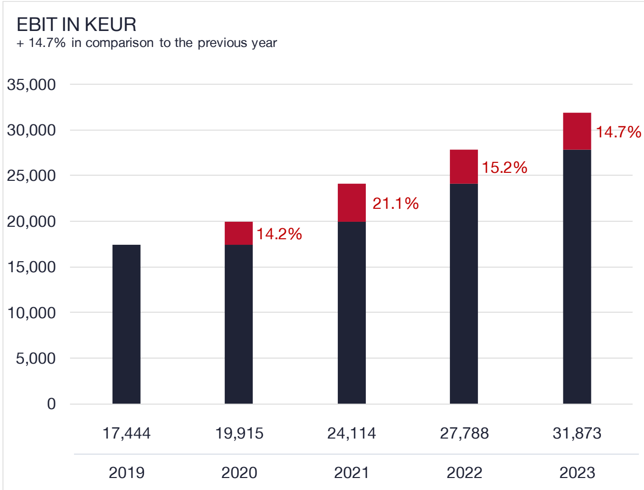
Nexus AG
Donaueschingen, 01/03/2024

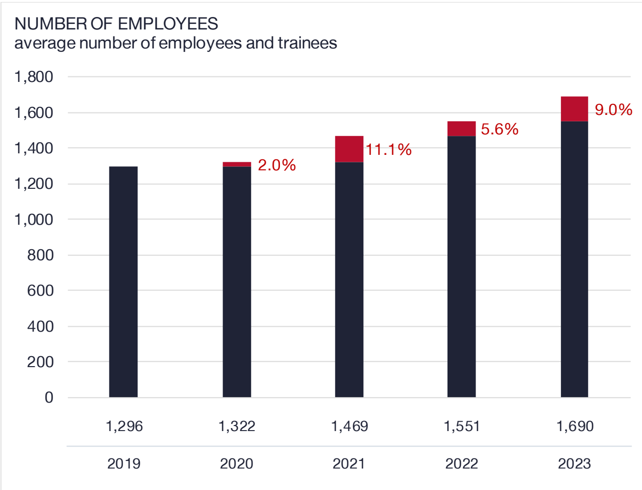
The Executive Board

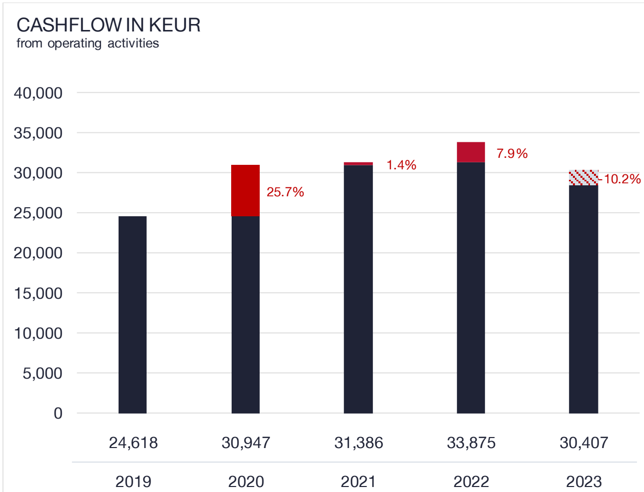
Dr. Ingo Behrendt Ralf Heilig Edgar Kuner

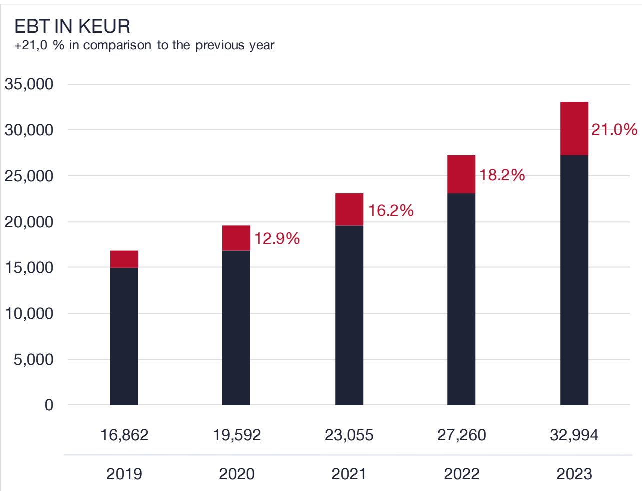
Economic key figures

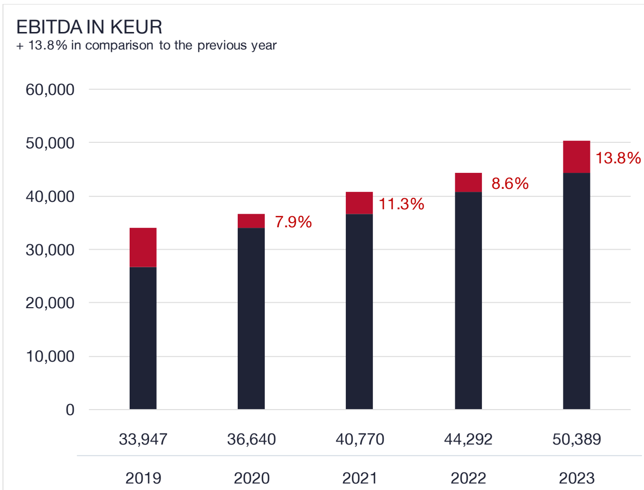












07 __ Consolidated Statement of Income

	Appendix	01/01/2023- 31/12/2023	01/01/2022- 31/12/2022
		KEUR	KEUR
Revenue	1	241,459	209,128
Capitalized development costs	12	3,777	2,380
Other operating income	2	4,577	5,676
Cost of goods sold	3	42,180	35,049
Personnel expenses	4	133,305	117,847
Impairment Loss on Financial Assets	5	373	195
Other operating expenses	6	23,566	19,801
EBITDA		**50,389**	**44,292**
Depreciation		18,516	16,504
EBIT		**31,873**	**27,788**
Financial income	7	3,042	518
Financial expenses	8	1,921	1,046
EBT		**32,994**	**27,260**
Income taxes	9	9,202	7,491
Consolidated net income		**23,792**	**19,769**
Consolidated net income apportioned to:			
– Shareholders of the Parent Company		24,031	19,347
– Non-controlling interests		-238	422
Consolidated earnings per share			
Weighted average (undiluted) of issued shares in circulation (in thousands)	10	17,246	15,955
Weighted average (diluted) of issued shares in circulation (in thousands)	10	17,249	16,006
Undiluted	10	1.39	1.21
Diluted	10	1.39	1.21

08 __ Consolidated Statement of Comprehensive Income

	Appendix	01/01/2023-31/12/2023	01/01/2022-31/12/2022
		KEUR	KEUR
Consolidated net income		23,792	19,769
Other comprehensive income	22		
Items that will not be reclassified to profit / loss			
Remeasurement from pension plans recognised in equity	23	-853	9,556
Deferred taxes on revaluation from pension plans recognised in equity	16	180	-1,620
Items that may be reclassified to profit / loss			
Currency translation differences		1,919	820
Deferred taxes on currency translation differences	16	153	78
Other comprehensive income before taxes		1,066	10,376
Deferred taxes on other comprehensive income		333	-1,542
Other comprehensive income after taxes		1,399	8,834
Consolidated income		**25,192**	**28,603**
Consolidated income apportioned to:			
– Shareholders of the Parent Company		25,430	28,172
– Non-controlling interests		-238	431

09 __ Consolidated Balance Sheet

ASSETS	Appendix	31/12/2023	31/12/2022
Non-current assets		KEUR	KEUR
Goodwill	11	135,592	109,132
Other intangible assets	12	69,188	42,825
Property, Plant and Equipment	13	13,148	12,681
Right-of-use assets	14	19,734	18,375
Contract assets	15	50	-
Deferred tax assets	16	3,267	1,115
Other financial assets	17	2,030	383
Long-term receivables	19	948	-
Total non-current assets		**243,957**	**184,511**
Current assets			
Inventories	18	3,240	994
Trade and other receivables	19	46,083	38,154
Contract assets	15	11,078	5,362
Other non-financial assets	20	3,614	2,170
Income tax receivables	21	1,249	1,465
Other financial assets	17	85,061	91,521
Cash and cash equivalents	26	17,434	20,019
Total current assets		**167,759**	**159,685**
Total assets		**411,716**	**344,196**

EQUITY AND LIABILITIES	Appendix	31/12/2023	31/12/2022
Equity		KEUR	KEUR
Subscribed capital	22	17,275	17,275
Capital reserves	22	103,089	106,227
Retained earnings	22	131,913	112,058
Other comprehensive income	22	3,397	1,998
Capital redemption reserve	22	-581	-2,533
Shareholders' equity attributable to parent		**255,093**	**235,025**
Non-controlling interests		3,489	3,921
Total equity		**258,582**	**238,946**
Non-current liabilities			
Pension obligations	23	8,959	7,885
Deferred tax liabilities	16	11,979	8,643
Other financial liabilities	24	30,335	8,716
Lease liabilities	14/24	15,438	14,313
Accrued liabilities	25	198	-
Total non-current liabilities		**66,909**	**39,557**
Current liabilities			
Accrued liabilities	25	4,086	4,492
Deferred liabilities	24	18,170	15,793
Other non-financial liabilities	24	5,929	3,843
Trade payables	24	8,740	9,989
Contract liabilities	24	24,040	16,610
Other financial liabilities	24	9,185	1,548
Income tax liabilities	24	11,268	9,060
Lease liabilities	14/24	4,807	4,358
Total current liabilities		**86,225**	**65,693**
Balance sheet total		**411,716**	**344,196**

10 __ Consolidated Statement of Changes in Equity

	Appendix	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income
		KEUR	KEUR	KEUR	KEUR
Equity capital as at 01/01/2022	22	15,815	34,470	95,863	-6,827
Remeasurement from pension plans recognised in equity		-	-	-	9,543
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	-1,617
Currency translation differences		-	-	0	821
Deferred taxes on currency translation differences		-	-	-	78
Other comprehensive income after taxes		-	-	0	8,825
Consolidated net income		-	-	19,347	-
Consolidated income		-	-	19,347	8,825
Capital increase		1,460	71,664	-	-
Dividend payouts		-	-	-3,153	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Issuance of treasury stock		-	-	-	-
Access within the framework of share-based payment		-	93	-	-
Equity capital as at 31/12/2022		17,275	106,227	112,058	1,998
Equity capital as at 01/01/2023		17,275	106,227	112,058	1,998
Remeasurement from pension plans recognised in equity		-	-	-	-853
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	180
Currency translation differences		-	-	-	1,919
Deferred taxes on currency translation differences		-	-	-	153
Other comprehensive income after taxes		-	-	-	1,399
Consolidated net income		-	-	24,031	-
Consolidated income		-	-	24,031	1,399
Dividend payouts		-	-	-3,620	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Minority access		-	-	-556	-
Issuance of treasury stock		-	-3,338	-	-
Access within the framework of share-based payment		-	200	-	-
Equity capital as at 31/12/2023		17,275	103,089	131,913	3,397

	Capital redemption reserve	Shareholders' equity attributable to parent	Non-controlling interests	Total equity capital
	KEUR	KEUR	KEUR	KEUR
Equity capital as at 01/01/2022	-529	138,792	3,611	142,403
Remeasurement from pension plans recognised in equity	-	9,543	13	9,556
Deferred taxes on revaluation from pension plans recognised in equity	-	-1,617	-3	-1,620
Currency translation differences	-	821	-1	820
Deferred taxes on currency translation differences	-	78	-	78
Other comprehensive income after taxes	-	8,825	9	8,834
Consolidated net income	-	19,347	422	19,769
Consolidated income	-	28,172	431	28,603
Capital increase	-	73,124	-	73,124
Dividend payouts	-	-3,152	-	-3,153
Dividend payouts to non-controlling interests	-	-	-121	-121
Purchase of treasury stock	-2,161	-2,161	-	-2,161
Issuance of treasury stock	157	157	-	157
Access within the framework of share-based payment	-	93	-	93
Equity capital as at 31/12/2022	-2,533	235,025	3,921	238,946
Equity capital as at 01/01/2023	-2,533	235,025	3,921	238,946
Remeasurement from pension plans recognised in equity	-	-853	-	-853
Deferred taxes on revaluation from pension plans recognised in equity	-	180	-	180
Currency translation differences	-	1,919	-	1,919
Deferred taxes on currency translation differences	-	153	-	153
Other comprehensive income after taxes	-	1,399	-	1,399
Consolidated net income	-	24,031	-238	23,792
Consolidated income	-	25,430	-238	25,192
Dividend payouts	-	-3,620	-	-3,620
Dividend payouts to non-controlling interests	-	-	-86	-86
Purchase of treasury stock	-1,843	-1,843	-	-1,843
Minority access	-	-556	-108	-664
Issuance of treasury stock	3,795	457	-	457
Access within the framework of share-based payment	-	200	-	200
Equity capital as at 31/12/2023	-581	255,093	3,489	258,582

11 __ Consolidated Cash Flow Statement

	Appendix	01/01/2023-31/12/2023	01/01/2022-31/12/2022
1. Cash flow from operating activities	26	KEUR	KEUR
EBIT		31,873	27,788
Depreciation (+) / amortization (-) on intangible assets and fixed assets		13,117	11,510
Depreciation on rights of use leased assets		5,399	4,994
Other non-operating expenses (+) / income (-)		1,092	-499
Increase (-) / decrease (+) in inventory		-1,062	809
Increase (-) / decrease (+) in receivables and other assets		-11,457	-9,420
Increase (+) / decrease (-) in provisions		-891	-1,619
Increase (+) / decrease (-) in liabilities		-695	6,923
Interest paid (-) / interest received (+)		1,912	-970
Income taxes paid (-) / income tax refunds (+)		-8,881	-5,641
		30,407	**33,875**
2. Cash flow from investment activities	26		
Payments for investments in intangible assets and property, plant and equipment		-9,457	-5,575
Payments for the acquisition of consolidated companies less the funds acquired		-17,565	-2,977
Payments (-)/proceeds (+) from the acquisition / divestment of shortterm financial depositions		10,000	-90,000
		-17,022	**-98,552**
3. Cash flow from financing activities	26		
Incoming payments from capital increases		-	73,124
Payments for purchase of non-controlling interests for already consolidated companies		-786	-4,625
Payments for redemption of lease liabilities		-5,793	-5,252
Payments for redemption of loan liabilities		-5,051	-
Dividends paid		-3,620	-3,153
Dividends paid to non-controlling interests		-86	-121
Payments for the purchase of treasury stock		-1,843	-2,161
Proceeds from the sale of treasury stock		457	157
		-16,722	**57,969**
Change in cash and cash equivalents		-3,337	-6,708
Effect of exchange rate changes on cash and cash equivalents		752	555
Cash and cash equivalents at the start of the period		**20,019**	**26,172**
Cash and cash equivalents at the end of the period		**17,434**	**20,019**
Composition of cash and cash equivalents			
Cash and bank balances		17,434	20,019
shortterm financial depositions		80,000	90,000
		97,434	**110,019**

12 __ Notes to the Consolidated Financial Statements

SIGNIFICANT OF ACCOUNTING PRINCIPLES

1 __ General Information

Nexus Group develops and sells software and hardware solutions with its corporate divisions NEXUS / DE, NEXUS / DIS and NEXUS / ROE and provides IT services, especially for customers in the health care system. The Group focuses in the area of “Healthcare Software” on information systems for hospitals and psychiatric, rehabilitation and welfare institutions. The “Healthcare Service” unit provides IT services for IT operation, especially in the healthcare system. Nexus AG is the highest ranking parent company.

Nexus AG is registered in the commercial registry of the Freiburg local court under number HRB 602434. Nexus AG is a listed corporation and in the Prime Standard segment at the Frankfurt securities market. This Group Financial Report was drawn up by the Executive Board and approved for forwarding to the Supervisory Board on 01/03/2024. Publication is after checking and approving by the Supervisory Board on 05/03/2024.

The registered office of Nexus AG, Donaueschingen, is:

Irmastrasse 1, 78166 Donaueschingen, Germany

2 __ Principles of Creating and Consolidating

This Consolidated Financial Statement has been prepared in keeping with the provisions of International Accounting Standards Board (IASB) required by the European Union following the balance sheet cut-off date in accordance with Section 315e (1) of the German Commercial Code (HGB) and the supplementary commercial law regulations. It is in keeping with the provisions of International Financial Reporting Standards applicable on the cut-off date whose application is mandatory in the European Union (IFRS) and supplementary interpretations (IFRIC and SIC). All IFRS and interpretations, which are mandatory for the 2023 fiscal year, were taken into consideration.

__ Going Concern

The consolidated financial statements have been prepared based on the historical acquisition or production cost principle, assuming a positive going concern prognosis. Exceptions to the historical acquisition or production cost principle are presented below, where applicable.

__ Balance Sheet Format

The assets and liabilities in the balance sheet were classified according to their maturity. The Profit and Loss Account was drawn up according to the total cost type of short-term results accounting.

__ Report Currency

The Consolidated Financial Statements are prepared in euros. If not otherwise noted, all values are rounded to thousands (KEUR).

__ Consolidated Group

In addition to the Nexus AG as parent company, all domestic and foreign subsidiaries are included in the Consolidated Financial Statement, for which Nexus AG has the majority of voting rights directly or indirectly.

__ Consolidation Principles

All companies included as of 31/12/2023 drew up their Annual Reports as of 31/12. The Annual Reports are shown in uniformly prepared, consolidation-capable financial reports in line with the IFRS.

The purchase method is used for company purchases. Capital is consolidated at the time, at which ownership became effective. The shown equity capital of the acquired companies is offset against the book value of participation. The asset values as well as debts and possible debts are included with their fair values. Within the context of an identification process, balance sheets did not previously include IFRS 3, but intangible assets were capitalized if it was possible to carry them in the balance sheet. In addition, possible debts should be considered. Remaining value of potential earnings in excess of the book value is capitalized as goodwill and/or negative difference amounts are adopted affecting revenue after another check. Purchase price increases due in the future, which are probable, are capitalized as contingent purchase price payments expected in the future at the corresponding market value at the purchase time in goodwill and shown as trade accounts payable.

Trade accounts receivable and payable between the consolidated companies are offset within the context of debt consolidation. Internal sales have been eliminated within the framework of expenditure and revenue consolidation. Interim results have been eliminated insofar as applicable.

The consolidated surplus is determined as a completely consolidated period result according to the total costs procedure, in which all revenues and expenses are consolidated between the included companies.

The operating result shares, which other companies are entitled to, are shown separately below the consolidated surplus according and their shares are shown as separate items within equity capital.

The assets and liabilities of foreign subsidiaries whose functional currency is not the euro are converted in accordance with IAS 21. The functional currency is the respective country currency for all companies. The balance sheets of the Group Companies in Switzerland are converted with the cut-off date exchange rate of 0.9260 CHF / EUR (previous year: 0.9847 CHF / EUR), the consolidated statement of comprehensive income with the average exchange rate of 0.9717 CHF / EUR (previous year: 1.0052 CHF / EUR), and the equity capital at historic rates. The balance sheet of the Group Company in Poland is accordingly converted with the cut-off date exchange rate of 4.3395 PLN / EUR (previous year: 4.6808 PLN / EUR), the consolidated statement of comprehensive income with the average exchange rate of 4.5421 PLN / EUR (previous year: 4.6845 PLN / EUR), and the equity capital at historic rates. The balance sheets of the Group Companies in the USA converted with the cut-off date exchange rate of 1.1050 USD / EUR (previous year: 1.0666 USD / EUR), the consolidated statement of comprehensive income with the average exchange rate of 1.0816 USD / EUR (previous year: 1.0539 USD / EUR), and the equity capital at historic rates. Any conversion differences resulting from that are entered in the other result in equity capital without effect on net income. Currency exchange differences arising from debt consolidation are recognized in profit or loss.

3 __ Changes of the Accounting and Valuation Method

The adopted accounting and valuation methods correspond in principle to the methods used in the previous year.

The new or modified standards or interpretations are displayed in the following table, which were used by NEXUS in the fiscal year or were not used admissibly.

New, currently applicable requirements:

Standard/Interpretation	Title of the Standards/Interpretation or Amendment	Application for fiscal years starting from	Effects on the NEXUS consolidated financial statement
Amendments to IAS 1, IFRS Practice Statement 2	Disclosure of accounting and valuation methods	01/01/2023	Principle significance
Amendments to IAS 8	Accounting and valuation methods, changes in estimates and errors – Definition of accounting estimates	01/01/2023	Principle significance
Amendments to IAS 12	Income taxes - Deferred taxes relating to assets and liabilities arising from a single transaction	01/01/2023	Principle significance
Amendments to IAS 12	Income taxes - International tax reform - Pillar 2 modelling rules	01/01/2023	Principle significance
IFRS 17, Amendments to IFRS 17	Insurance contracts	01/01/2023	No effects
IFRS 17, Amendments to IFRS 17	Insurance contracts - Presentation of comparison information on first use of IFRS 17 and IFRS 9	01/01/2023	No effects

Future requirements:

Standard/Interpretation	Title of the Standards/Interpretation or Amendment	Application for fiscal years starting from	Effects on the NEXUS consolidated financial statement
EU endorsement is still outstanding			
Amendments to IAS 1	Presentation of financial statement - Classification of liabilities in shortterm and longterm	outstanding	No effects
Amendments to IAS 7 and IFRS 7	Cash flow statement and financial instruments: Disclosures on supplier financing agreements	outstanding	No effects
Amendments to IFRS 16	Lease liabilities at Sale and leaseback transactions	01/01/2024	No effects
Amendments to IAS 21	Effects of changes in exchange rates - lack of exchangeability	outstanding	No effects

4 __ Essential discretionary decisions, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the values presented in the consolidated financial statements. NEXUS continuously evaluates discretionary decisions, estimates and assumptions. Discretionary decisions, estimates and assumptions are based on experience and other factors that NEXUS considers reliable and comprehensible. Actual future results may differ from judgments, estimates and assumptions and may affect future consolidated financial statements.

The main discretionary decisions, estimates and assumptions are explained below.

__ Impairment of intangible assets

The Group checks at least once annually whether goodwill and brands with unlimited utilization periods have depreciated. This requires estimation of the achievable amount of the cash-generating units, to which these intangible assets are allocated.

The attainable amount of an asset is the higher of the two amounts from the adjusted current value of a cash-generating unit minus sales costs and the utilization value. To estimate the utilization value, the Group must also estimate the future cash flow on one hand as well as an appropriate discount rate to determine the cash value of this cash flow.

__ Identified customer relations and technology at company acquisitions

The fair value of the acquired software maintenance contracts (customer relations) and acquired technology at the time of the company acquisitions was determined on the basis of estimated benefits, especially on the basis of future expected payment surpluses discounted by an appropriate interest rate and amortized over the expected time of use based on an assumed annual loss of customers (residual value method). The fair value of acquired technology at the date of acquisition is determined on the basis of the license price analogy method and amortized over its expected utilization period.

__ Contractually agreed future, contingent purchase price payments for company acquisitions

At the time of the acquisition of companies, contingent purchase prices can be contractually agreed with the seller. The fair value (Fair Value Hierarchy Class 3) is calculated based on the planned sales, revenue and partially qualitative target dimensions and determined anew each year. This value is discounted over its duration with a correspondingly reasonable interest rate.

__ Non-controlling interests in company acquisitions

The share of the acquired non-controlling shares in an acquired company at the time of acquisition is measured with the corresponding share of the identified, revalued net assets of the acquired company.

__ Deferred tax assets on losses carried forward

Deferred tax assets are entered for all losses carried forward for taxes in the amount, in which it is probable that the income to be taxed for this will be achieved and remain available, so that losses carried forward can actually be used. Competent authority discretion of company management is to be used for determining the amount of credited deferred taxes on the basis of the expected fulfillment time and the amount of the income to be taxed in the future as well as the future tax planning strategies.

__ Pensions and other post-employment benefits

The expenses from performance-oriented plans are calculated using actuarial principles. The actuarial assessment is made based on the assumptions with respect to the discount rate allowed on advance payment of taxes, future wage and salary increases, mortality and future pension increases. Corresponding to the long-term orientation of these plans, such estimates are subject to substantial uncertainties.

5 __ Essential Accounting and Valuation Methods

__ Financial instruments

A financial instrument is a contract, which at the same results in creation of financial asset for one company and creation of financial liability or an equity capital instrument for another company. The financial instruments shown in the balance sheet (financial assets and financial liabilities) according to IAS 32 and IFRS 9 cover specific financial assets, trade account receivables, securities, cash and bank balances, trade and other payables as well as certain other assets and liabilities based on contractual agreements.

A normal market purchase or sale of a financial instrument is accounted for on the trading day – the day on which the Group commits to purchase or sell it.

Financial assets and liabilities are to be recognized as net assets in the consolidated balance sheet if a legal claim exists to offset the amounts and it is intended to either offset them on a net basis, or to realize the asset and settle the liability simultaneously.

__ Financial assets

When a financial asset is first recognized, it is measured at fair value plus directly attributable transaction costs in the case of financial assets that are not recognized in profit or loss at fair value. The fair value plus transaction costs is regularly equal to the cost of acquisition.

After the initial entry, the classification takes place in one of the three following evaluation categories:

+ Financial assets valuated at amortized cost (AC)
+ Financial assets valuated affecting net income at fair value (FVPL)
+ Financial assets valuated not affecting net income at fair value (FVOCI)

The classification according to IFRS 9 depends on cash flow criteria, according to the contractual cash flows consist exclusively of interest and repayment (SPPI) as well as on the fulfillment of the business model criterion, in which the classification takes place depending on the control of the financial assets for the generation of cash flows. The SPPI test is carried out at the level of the financial instrument, and the business model criterion is assessed at the portfolio level.

Financial instruments measured at amortized cost are non-derivative financial assets that have not been designated for fair value measurement. Assets measured at amortized cost cumulatively meet the following conditions:

+ The financial instrument is held within the framework of a business model, the aim of which is to hold the financial instrument to generate contractual cash flows from it.
+ In addition, the contractual terms and conditions lead to cash flows on dates already specified, which consist exclusively of interest and repayment in respect of the nominal amount.

Except for the securities included in the short-term financial assets item in the previous year, all financial assets are classified as AC, as they are held until settlement and have passed the SPPI test. The subsequent valuation of the contract assets that are classified by AC is carried out using the effective interest method and taking into account impairments. Changes in value at the disposal, change or impairment of the financial asset are recognized in profit or loss.

A financial asset is derecognized when the contractual entitlement to cash flows from a financial asset expires or NEXUS transfers the financial asset.

Although the Group is active internationally, most of its business is in Europe and consequently it only has limited market risks due to changes of exchange rates.

Default risks are recognized using an impairment model based on expected credit losses (ECL model). This includes impaired financial assets as well as financial assets for which there are no signs of impairment. The ECL model is to be applied to financial assets classified by AC in NEXUS.

The ECL model distinguishes between the general and simplified approach:

The general approach is based on the three-step model, starting with the "12-month expected credit loss" (level 1), with migration to the "lifetime expected credit loss" (levels 2 and 3) if necessary. NEXUS always applies the general procedure unless the simplified procedure is prescribed (trade and other receivables and contract assets). In the simplified procedure, the lifetime expected credit loss is always calculated for the financial asset.

Impairment losses are recognized in the profit and loss statement. Appropriate and reliable information is used to assess the expected losses, which can be made available with reasonable effort. The default risks are determined, if available, on the basis of external credit ratings and historical default rates.

__ Financial liabilities

When all financial liabilities are first recognized in the application scope of IFRS 9, they are measured at fair value plus directly attributable transaction costs in the case of financial assets that are not recognized in profit or loss at fair value.

After initial recognition, financial liabilities are classified as either AC or FVPL.

Except for the contingent compensatory measures from corporate acquisitions, all financial liabilities are classified as AC and subsequently valued using the effective interest method. Changes in value are recognized in the profit or loss, at the disposal of the financial liability or in the event of changes due to the effective interest rate method.

Financial liabilities classified as FVPL include contingent compensatory measures from corporate acquisitions. Changes in fair value are recognized in profit or loss.

Financial liabilities are derecognized when the obligations referred to in the contract have been fulfilled, canceled or expire.

__ Intangible assets

The intangible assets contain maintenance contracts / customer relations, acquired software, technologies, goodwill, brands, capitalized development costs and contract fulfilment costs.

Acquired intangible assets are evaluated in the first-time report about procurement costs. The procurement costs of intangible assets, which were acquired at a company merger, correspond to the fair value at the acquisition time. Acquired intangible assets are shown if it is probable that the future economic benefit allocated to the asset will go to the company and that procurement costs of the asset can be measured reliably. After first-time reporting, acquired intangible assets are reported with their manufacturing costs minus every cumulated depreciation and all cumulated expenditures for impairment of value.

Self-procured intangible assets are not capitalized with exception of capitalized development costs.

Whether intangible assets have a limited or unlimited utilization period must be determined. Intangible assets with limited utilization period are written off over the useful economic life and examined for possible decrease in value. The depreciation period and the depreciation method are checked for an intangible asset with a limited utilization period at least until the end of each fiscal year. If the expected utilization period of the asset changed, a different depreciation period or a different depreciation method is selected. Such changes are treated as changes of an estimate. Write-offs on intangible assets with limited period of use are shown in the Profit and Loss Account under amortizations. Impairment tests are conducted for intangible assets with limited utilization period at least once per year. These intangible assets are not written off systematically. The utilization period of an intangible asset with unspecified utilization period is checked once annually to determine whether the estimate of an unspecified utilization period remains justified.

If this is not the case, the estimate is changed from an unspecified utilization period to a limited utilization period on a tentative basis.

An intangible asset shall be derecognized on disposal or if no further economic benefit is expected from its use. Profits or losses from the writing off of intangible assets are determined from the net capital gain and the accounting value of the asset and are entered affecting operational results in the period, in which the item was written off.

a) Maintenance contracts, customer relations

The Group acquired software maintenance contracts within the context of company acquisitions in previous years as well as in the past year. An average period of use of 10 years was assumed for customer relations. The write-off method corresponds to the expected consumption of the future economic benefit of the asset.

b) Purchased software

Acquired software is capitalized at its acquisition cost and is depreciated on a straight-line basis over a period of 4 to 6 years.

c) Technologies

Technology-related assets refer to process and development know-how, which were acquired within the context of company acquisitions in the past years as well as in last year. Technologies are available in the long term and are amortized linearly over a period of five to ten years on principle.

d) Goodwill

The excess of procurement costs of a company at the adjusted market values over the sum of identifiable assets and debts at the purchase time is called goodwill and entered in the balance sheet as an asset. For the purpose of checking whether deprecation exists, the goodwill must be allocated from the takeover day to each of the cash-generating unit or groups of cash-generating units, which should reap benefits from the synergies of the merger. This applies independent of whether other assets or debts of the Group have already been allocated to these units or groups of units. Each unit or group of units, which is allocated to goodwill, represents the lowest level within the Group on which goodwill is monitored for internal management purposes; it is not larger than a business segment as it is specified according to IFRS 8 "Business segments". The depreciation is determined by the calculation of the achievable amount of the cash-generating unit (group of cash-generating units), to which the goodwill refers. The attainable amount of an asset is the higher of the two amounts from the fair value of a cash-generating unit minus sales costs and the utilization value. If the utilization amount of the cash-generating unit is less than the accounting value, expenditure for depreciation is entered. The value reduction is first allocated to the complete amount of goodwill. Any further value reduction is allocated proportionately to the carrying amounts of the other assets of the payment-generating unit. Depreciated goodwill is no longer subject to appreciation.

In cases, in which the goodwill represents a part of the cash-generating unit and part of this business area is sold, the goodwill attributed to the sold business area is included as a component of the accounting value of the business area in determining the result from the sale of the business area. Goodwill, which is sold in this way, is determined on the basis of the ratio of the sold business area to the part of the cash-generating unit not sold.

e) Brands

Valuation of a brand considers the dissemination and utilization within different information systems on the market and is based on the brand strength and dissemination within the target group. It is conducted using a procedure oriented to capital value and based on the three-year planning of management and the fiscal year when the acquisition was made. Based on this fiscal year, the revenues are calculated using a constant growth rate. Brands are available unlimited to the Group and consequently are not subject to depreciation. The valuation base is tested for impairment at least once a year.

f) Development Costs

Development costs are capitalized as intangible assets with their manufacturing costs insofar as the prerequisites pursuant to IAS 38.57 are fulfilled. If these prerequisites do not exist, the development costs are entered in profit or loss in the year they occurred. In the case of capitalizing, the manufacturing costs cover all cost directly attributable to the development process as well as appropriate parts of development-related overhead costs. Financing costs are not capitalized. The future course of benefits is to be estimated for determining the depreciation type and period of capital expenditure for manufacturing costs. Depreciation is written off linearly during a period of four to six years starting from completion. The depreciation of the development costs is contained in the amortizations of the Profit and Loss Statement. As long as the use readiness of a capitalized development does not exist yet or there are indications of depreciation, the capitalized amount of development costs is checked for depreciation once annually.

g) Contract fulfilment costs

Contract fulfilment costs are directly attributable costs incurred after the start of the contract that serve to fulfil the contract but are upstream of it and cannot be capitalised under a different standard. Capitalised costs for the fulfilment of customer contracts mainly consist of direct costs for the setup and implementation of our cloud products and for contracts for customer-specific cloud developments. Imputed cost rates are used to determine contract fulfilment costs. The costs are amortised on a straight-line basis over the term of the customer contract following completion of the setup and implementation or development.

__ Property, plant and equipment

Property, plant and equipment assets are shown at the procurement costs minus cumulated, regular amortization and cumulated depreciation. The original procurement costs of tangible assets cover the purchase price as well as all directly attributable costs, which are required to put the asset in an operational state. Regular write-offs are made under consideration of normal operational life. Linear depreciation is used as depreciation method.

The estimated period of use is:

1: For buildings: 20 to 33 years

2. For renter installations: 5 to 10 years

3. For other equipment, factory and office equipment: 3 to 8 years

The accounting value of plants, equipment and other tangible assets is checked if there are indications that the accounting value of an asset exceeds its attainable amount. Property, plant and equipment are either written off at disposal or if no economic benefit can be expected from further use or sale of the asset. Profits or losses resulting from derecognition of an asset are determined as difference between the net disposal proceeds and the accounting value of the asset and are entered in profit or loss. The remaining value of the asset values, utilization periods and depreciation methods are checked at the end of each fiscal year and adapted if necessary.

__ Leasing relations

At the contract start date, it is assessed whether a contract establishes or includes a lease. This is the case when the contract gives the right to control the use of an identified asset for a certain period in exchange for payment of a fee.

For lease contracts with a term of more than twelve months, assets for the right of use and lease liabilities are recognized in the Group. Application simplifications are used for leasing items of low value and for short-term leases (fewer than 12 months).

Within the framework of a software-supported contract analysis, the total amount of contracts in accordance with IFRS 16 is to be assessed and identified according to the type of contract clustered and after appropriate contract period. The following types of contracts have been identified:

+ Leasing contracts for office buildings and parking spaces
+ Leasing contracts for motor vehicles
+ Leasing contracts for hardware and software

For all leases in which NEXUS is the lessee, the right to use an asset and a lease liability are recognized. The right to use is depreciated over the term of the contract in accordance with the provisions for intangible assets. The lease liability is accounted for in accordance with the provisions for financial instruments in IFRS 9. Depreciation of the asset and interest from the liability are shown in the Profit and Loss Statement as depreciation and/or financial expenses.

__ Depreciation of long-term non-financial assets

The Group evaluates on each balance sheet date whether indications exist that an asset could have depreciated. If such indications exist or if annual checking of an asset for depreciation is required, the Group estimates the attainable amount of the respective asset. The attainable amount of an asset is the higher of the two amounts from the adjusted current value of an asset or a cash-generating unit minus sales costs and the utilization value. The attainable amount should be determined for each individual asset unless an asset does not generate any injection of funds, which are mainly independent from other assets or other groups of assets. If the accounting value of an asset exceeds its attainable amount, the asset is considered depreciated and written off at its attainable amount. The estimated cash flows are discounted at their cash value (based on a discount rate allowed before payment of taxes) and are used for determining the utilization value, which reflects current market expectations with respect to the rate of interest effect and the specific risks of the asset.

Impairment expenses of business areas to be continued are entered depreciation items. A check is made on each reporting cut-off date with exception of the goodwill to determine whether indications exist that expenditure for depreciation, which was entered in previous reporting periods, no longer exists or could have decreased. If such an indication exists, the attainable amount is estimated. A previously entered impairment expense should be canceled if estimates have changed since the entry of the last impairment expense, which was used for determining the attainable amount. If this is the case, the accounting value of the asset should be increased to its attainable amount. This increased accounting value may not exceed the accounting value that would result after consideration of depreciation if no impairment expense had been entered in previous years. Such a value adjustment is to be entered immediately in profit or loss. After a value has been adjusted, the expenditure for depreciation should be adjusted in future reporting periods to split the corrected accounting value of the asset, minus any remaining accounting value, among its remaining utilization period.

__ Deferred taxes

Deferred taxes are determined using accounting-based method on all existing temporary differences the reported value of an asset or a liability in the balance sheet and the taxable value on the balance sheet date. Deferred tax liabilities and assets are entered for all temporary differences to be taxed. The following exceptions apply to this:

+ A deferred tax liability from the first-time reporting of goodwill
+ Deferred tax liabilities or deferred tax assets from the first-time reporting of an asset or liability for a business transaction, which is not a company merger and which does not influence either the result in the balance sheet before taxes or the result to be taxed
+ Deferred tax liabilities from temporary differences to be taxed, which are related to participation in subsidiaries, branches, affiliated companies and shares in joint ventures, when the temporal course of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.
+ Deferred tax assets are entered for all temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits not used yet in the measure, in which it is probable that the income to be taxed will be available against which the temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits can be used. This also applies to deferred tax claims from temporary differences liable for deductions, which are in connection with shares in subsidiaries, branches, affiliated companies and joint ventures.

The accounting value of the deferred tax claims is checked on each balance sheet date and reduced in the amount, in which it is no longer probable that a sufficiently large result to be taxed will be available against which the deferred tax claim can be used at least in part. Not shown deferred tax claims are checked on each balance sheet date and shown in the amount, in which it has become probable that a result to be taxed in the future will make it possible to use the deferred tax claim. Deferred tax claims and liabilities are measured using the tax rates, the validity of which is expected for the period in which the asset will be realized or a debt paid. When this is done, the tax rates (and tax regulations) are used as a basis, which are valid or announced for the balance sheet date. Deferred taxes, which refer to items that are recorded in other comprehensive income, are entered in other comprehensive income. Deferred tax claims and deferred tax liabilities are offset if the Group has a cause of action for offsetting actual tax refund claims against actual tax liabilities and these refer to revenue taxes of the same tax subject, which were levied by the same tax authority.

__ Inventories

Inventories mainly include hardware and third-party licenses. Inventories are measured at the lower value of procurement costs and net realizable value. The net realizable value is the estimated sale price, which can be expected in a normal business transaction, minus the estimated sale costs.

__ Contract assets

The contract assets represent a legal claim for consideration for transferred goods or services for the Group, which are subject to conditions other than a mere payment target. The contract assets mainly relate to the Group's claims for compensation for completed but not yet settled services from contract production of hospital information systems at the reporting date. The contractual assets are reclassified into trade receivables if the rights become unconditional. This is usually done when the Group issues an invoice to the customer. A corresponding risk provision is formed for the credit risk in accordance with IFRS 9. The procedure corresponds to the determination of risk provisions for trade and other receivables.

__ Cash and cash equivalents

Cash and cash equivalents are composed of cash balance and credit balances at banks. These have a remaining term of fewer than three months and comply with the requirements pursuant to IAS 7.7. The Group applies the general approach of IFRS 9 to measure expected credit losses on cash and bank balances.

__ Treatment of options

Options consist exclusively of in the form of put and call options related to acquisitions of companies with respect to the increase of already controlled companies. The balance sheet is shown as part of an anticipated acquisition in accordance with IFRS 3.

__ Share-based payment

The Group applies IFRS 2 for accounting for share-based payment in the following cases:

(a) share-based payments with equity instruments

(b) share-based payments with cash settlement

(c) transactions in which the company receives or acquires goods or services, and the company or the supplier of such goods or services has the choice of whether the settlement shall be in cash (or in other assets) or by issuing equity instruments

In NEXUS, share-based payments with equity instruments exists for transactions in which services are received.

For share-based payments with equity instruments, NEXUS recognizes the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received unless this cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, NEXUS shall determine their value and the corresponding increase in equity indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others who provide similar benefits, the fair value of the benefits received is determined by reference to the fair value of the equity instruments granted, since it is usually not possible to reliably estimate the fair value of the benefits received. The fair value on the date of grant is used for the measurement of equity instruments.

In the case of transactions in which services are received, the equity instruments granted are exercisable immediately if the party is not bound by a specified period of service before acquiring an unrestricted right to those equity instruments. Unless there is substantial evidence to the contrary, NEXUS assumes that the services to be provided by the contracting party as remuneration for the equity instruments have already been received. In this case, NEXUS recognizes the benefits received in full on the date of grant with a corresponding increase in equity.

If the exercise of the equity instruments granted is dependent on the performance of a certain period of service by the contracting party, NEXUS assumes that the services to be provided by the contracting party in return for these equity instruments will be received in the future during the vesting period. NEXUS recognizes these services at the time they are rendered during the vesting period with an associated equity increase.

The granting of equity instruments may be linked to the fulfillment of certain exercise conditions and non-exercise conditions. Exercise conditions that are not market conditions are not included in the estimate of the fair value of the shares or stock options on the assessment date. Instead, NEXUS takes into account exercise conditions that are not market conditions as well as non-exercise conditions by adjusting the number of equity instruments included in the determination of the transaction amount.

__ Subscribed capital

If the Group purchases its own shares, these are recorded at cost and deducted from equity. The purchase, sale, issue or redemption of treasury shares is recognized as performance-neutral.

__ Pension accruals

The Group has eight pension plans in Germany. The benefits are financed by a company through a pension trust; pledged reinsurance policies are available for two plans. In addition, financial obligations from the pension scheme according to Swiss federal law exist in Switzerland for employee old-age, survivors' and disability benefits (BVG). The pension obligations in the Netherlands are matched by plan assets of the same amount. The cash value of the obligations earned was offset against the fair value of the respective plan assets, and the difference was recognized in the balance sheet as a pension accrual. Expenditures for the services granted within the context of the performance-oriented plans are determined separately for each plan using the potential pension cash value method (IAS 19). Actuarial profits or losses are entered under other revenue in equity capital after consideration of deferred taxes without affecting the operational result. The reference tables 2018 G are used in Germany as biometric calculation basis (death and disability probability of beneficiaries, probability of being married at time of death). In Switzerland, the statistics of the years 2015- 2019 based on the tariff of the Occupational Pensions Act (BVG) 2020 were used as a basis. In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2022 was applied.

__ Other accruals

Accruals are created if a current obligation exists with respect to a third party from a past event, which will probably result in outflow of resources in the future and the amount of which can be estimated reliably. Valuation of accruals is according to IAS 37 with the best possible estimate of expenditures, which would be required for fulfilling the current obligations as of the balance sheet cut-off date. Accruals for outlays are not shown. If an essential interest effect results from the fulfillment time of the obligation, the accrual is carried in the balance sheet at cash value. An increase of accruals over time is entered under financial expenditures.

__ Contract liabilities

Contractual liabilities create an obligation to the customer if partial invoices and payments received from the customer are received before the promised service is provided. Contractual liabilities arising from payments received from the customer are written off against the processed services as soon as they have been provided. If a contract contains several separate performance obligations, only one contractual asset or contractual liability from this contract is to be determined on a net basis.

__ Other non-financial liabilities

Other non-financial liabilities are accounted for at the settlement amount.

__ Current taxes

Actual tax refund claims and tax liabilities are determined in the Group under the application of the respective local tax regulations. In this determination, estimates and assumptions are made, which may be estimated differently by the respective local tax authorities.

__ Contingent liabilities

Contingent liabilities are not shown in the Consolidated Financial Statement until their use becomes probable. They are shown in the Consolidated Financial Statement if their use is not improbable.

__ Revenue recognition

Group revenue comes from software licenses and services connected with that, which provide support in the areas of implementation, maintenance and other services. The company normally grants its customers use of the software for unlimited time. The Group also sells hardware. Proceeds from the supply of goods and rights are recognized in accordance with IFRS 15 if the service obligation assumed was provided by the transfer of the power of disposal to the customer, the inflow of the consideration is probable and the amount can be determined reliably. Revenues from services are recorded as soon as the services have been provided and the customer can obtain essential benefit from them. Revenue realization does not take place if there are significant risks with regard to the receipt of consideration or a potential return of goods. The NEXUS Group reports its sales revenues with deduction of revenue reductions.

__ Multi-component contracts

The realization of revenues from contracts that contain several performance obligations (multi-component contracts) takes place when the respective performance obligation has been delivered or rendered and is based on the objectively ascertainable, relative individual sale prices of the individual performance obligations. Performance obligations resulting from multi-component contracts are partly accounted for using the percentage-of-completion method. Thereafter, the revenue is shown according to the degree of performance completion. In measuring performance progress to determine revenue, the Group applies an output-oriented method, whereby the total performance to be provided within the contractual relationship is set in relation to the performance already provided on the balance sheet date.

On the balance sheet, the generated revenues from production orders minus advance payments received are recognized in the contract assets in accordance with IFRS 15. Changes in the commissioned services are only taken into account within the scope of an existing production order if acceptance by the customer is considered probable and an assessment of the amount can be made reliably. If the result of a production order cannot be estimated with sufficient certainty, the likely revenues that can be achieved are recorded at least up to the amount of the costs incurred. Order costs are recorded as expenses in the period, in which they occur.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services. Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

Warranty obligations generally do not meet the requirements for an independent performance obligation, since they do not go beyond the legal scope.

If non-cash consideration is agreed within the framework of contracts with customers, it is assessed on the basis of the contractually agreed cooperation services in person days with the customer-specific cooperation day rate.

NEXUS does not capitalize contract initiation costs if the depreciation period is one year or less.

The main sales types and their realization are presented below: NEXUS applies the portfolio approach for this in accordance with IFRS 15.4.

__ Software licenses

This includes revenues from software license sales, which are usually remunerated once. The license entitles use of the software permanently. The license fee is contractually fixed and does not trigger any future license payments or use-dependent invoices. The underlying license is decisive in accordance with IFRS 15. The right of use is provided to the customer at a defined time, which results in a time-related sales realization. The revenue realization from software components within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Software maintenance

This includes sales revenues from contracts that give the customer access to new versions of software products after they have been delivered. These updates are used for troubleshooting, improving performance and other properties, but also for adapting to changed general conditions. A software maintenance contract also includes hotline support. The revenue generated in this connection is recorded pro rata temporis.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Services

Sales from services that are remunerated on an hourly basis or at contractually agreed fixed prices fall under the sales type services. The activities carried out in the sales order include, for example, project management, analyses, training, system configuration and customer-related programming. Revenue is realized for the services to be provided with the completion of the service. The revenue realization from services within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

__ Hardware

Revenues from the sale of hardware and infrastructure components include, for example, PCs, servers, monitors, printers, switches, racks, network components, etc. These revenues are realized immediately upon provision of the performance obligation by delivery of the hardware components. The revenue realization from hardware within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Discounts and rebates

The Group reports its revenues minus any revenue reductions, such as discounts or rebates.

__ Government grants

Government grants are recognised as income as soon as there is reasonable assurance that the grants will be received and the company will comply with the conditions attached to them. Expense-related grants are recognised as other operating income over the period over which the corresponding expenses that they are intended to compensate are recognised.

__ Financial Income / Financial expenses

Financial income and expenses are entered at the time they occur.

__ Foreign currencies

Foreign currency transactions are entered in the report currency by converting the foreign currency at the exchange rate between the report currency and the foreign currency valid at the time of the business transaction. Conversion differences from processing monetary positions as well as from the cut-off date evaluation of exchange rates, which differ from those original entered during the period, are entered as expenses or revenue in the period, in which they occurred.

1. REVENUE

Revenues are classified by region and operations in the following overview:

Nexus / DE	2023		2022	
	KEUR	%	KEUR	%
Germany	73,368	94.6	63,046	93.9
Switzerland / Liechtenstein	355	0.5	310	0.5
The Netherlands	81	0.1	135	0.2
Austria	2,844	3.6	2,632	3.9
Other regions	926	1.2	995	1.5
Total	**77,574**	**100.0**	**67,118**	**100.0**

Nexus / DIS	2023		2022	
	KEUR	%	KEUR	%
Germany	46,486	87.3	39,490	84.9
Switzerland / Liechtenstein	689	1.4	589	1.3
The Netherlands	590	1.1	791	1.7
Poland	184	0.3	63	0.1
France	64	0.1	10	0.0
Austria	503	0.9	397	0.9
Other regions	4,726	8.9	5,173	11.1
Total	**53,242**	**100.0**	**46,513**	**100.0**

Nexus / ROE	2023		2022	
	KEUR	%	KEUR	%
Germany	12,344	11.2	9,614	10.1
Switzerland / Liechtenstein	48,834	44.1	42,521	44.5
The Netherlands	25,898	23.4	23,380	24.5
Poland	12,313	11.1	8,768	9.2
France	7,317	6.6	6,905	7.2
Austria	1,415	1.3	1,926	2.0
Other regions	2,522	2.3	2,383	2.5
Total	**110,643**	**100.0**	**95,497**	**100.0**

of which attributed to:

	2023		2022	
	KEUR	%	KEUR	%
Services and software maintenance	184,803	76.6	159,438	76.3
Licenses	39,910	16.5	36,639	17.5
Deliveries	16,746	6.9	13,051	6.2
Total	**241,459**	**100.0**	**209,128**	**100.0**

For information on the individual types of revenue and their realization, please refer to the section "Revenue Recognition" in the notes on the consolidated financial statements.

Of the balance of KEUR 12,631 (previous year: KEUR 4,047) reported in contract liabilities at the beginning of the period, KEUR 11,081 (previous year: KEUR 3,623) was recognised as revenue in the financial year.

Revenues from performance obligations that have been fulfilled (or partially fulfilled) in previous periods (such as changes in the transaction price) were recognised in the financial year in the amount of KEUR 1,035 (previous year: KEUR 1,036).

Unfulfilled performance obligations arise in the context of multi-component contracts. The Group assumes that these will largely be met in 2024.

Approximately 90-95% of revenues are realized over time.

2. OTHER OPERATING INCOME

Other operating income is composed of the following:

	2023	2022
	KEUR	KEUR
Revenues from the derecognition of current liabilities	2,036	2,105
Government grants	736	—
Revenues from purchase price adjustments	646	1,834
Revenues from the reversal of provisions	576	753
Income from Foreign currency gains	394	433
Miscellaneous	189	551
	4,577	**5,676**

Government grants relate to tax subsidies for research and development. Of this amount, KEUR 566 relates to the granting of subsidies to offset expenses incurred in a previous period.

3. COST OF GOODS SOLD AND ASSOCIATED SERVICES

	2023	2022
	KEUR	KEUR
Costs for associated goods	19,513	16,667
Costs for associated services	22,667	18,382
	42,180	**35,049**

Costs for materials and supplies, and associated goods, primarily comprise expenses from the purchase of licenses and hardware intended for resell. Associated services primarily pertain to services subcontracted to third parties in the course of project transactions.

4. NUMBER OF EMPLOYEES AND PERSONNEL EXPENSES

The following number of employees and trainees were employed on average in the respective fiscal years:

	2023	2022
Employees	1,663	1,526
Senior staff	27	25
	1,690	**1,551**

Personnel expenses increased as follows over the reporting period:

	2023	2022
	KEUR	KEUR
Salaries and wages	110,885	98,284
Social security contributions and expenses for pension costs and support	22,420	19,563
	133,305	**117,847**

In the event that the Group terminates the employment relationship of an employee prior to regular retirement or an employee voluntarily accepts the offer to leave prematurely in exchange for these benefits, benefits will accrue on the occasion of termination of the employment relationship. These are recognized as a liability and expense in the Group if it is probable that the Group will not be able to evade the obligation. In the event of a maturity on the reporting date of more than 12 months, the benefits are derived at their cash value.

5. IMPAIRMENT LOSS

The following tables show the impairment loss on financial assets in the reporting year:

	2023	2022
Trade and other receivables		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	951	1,097
Utilization of credit risk	—	–256
Changes in impairments	298	110
Impairment due to credit risks as at 31/12/	1,249	951

	2023	2022
Contract assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	77	21
Changes in impairments	85	56
Impairment due to credit risks as at 31/12/	162	77

	2023	2022
Other Financial Assets		
	KEUR	KEUR
Impairments from credit risks as at 01/01/	50	5
Changes in impairments	-10	45
Impairments from credit risks as at 31/12/	40	50

	2023	2022
Cash equivalents		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	10	26
Changes in impairments	-	–16
Impairments from credit risks as at 31/12/	10	10

	2023	2022
Sum of impairing loss of financial assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	1,088	1,149
Utilization of credit risk	—	–256
Changes in impairments	373	195
Impairments from credit risks as at 31/12/	1,461	1,088

6. OTHER OPERATING EXPENSES

Other operating expenses are composed of the following:

	2023	2022
	KEUR	KEUR
Operating costs	4,183	3,971
Distribution costs	6,904	5,091
Administrative costs	9,555	8,060
Other operating expenses	2,925	2,679
	23,566	**19,801**

Currency loses in the amount of KEUR 919 (previous year: KEUR 819) are contained in Other operating expenses.

The other operating expenses in the above table include the following payments to the accountancy firm for the audit of the consolidated financial statements:

	2023	2022
	KEUR	KEUR
Audit services	365	235
- From the previous year	62	10
Other services	5	1
	370	**236**

The fee for other services pertains to business consultancy services. In addition to the consolidated financial statements, the auditor also audited the annual financial statements of Nexus AG.

7. FINANCIAL INCOME

Other financial assets and current financial assets comprise the following:

	2023	2022
	KEUR	KEUR
Interest income from bank deposits	2,875	476
Other interest and similar income	167	42
	3,042	**518**

Financial income includes expenses from various fixed-term deposits in the amount of KEUR 2,875 (previous year: KEUR 476).

8. FINANCIAL EXPENSES

	2023	2022
	KEUR	KEUR
Other interest and similar expenses	1,446	707
Interest expenses from rights of use	473	330
Miscellaneous	2	9
	1,921	**1,046**

Other interest and similar expenses include from purchase price liabilities in the amount of KEUR 1,068 (previous year: KEUR 96).

9. INCOME TAXES

Income taxes comprise actual tax liabilities, namely the effective tax amount, and deferred tax expenses or income. The actual tax liabilities or receivables are calculated with the amounts estimated to be owed to or by the tax authorities through the application of the tax regulations in force on the reporting date. Deferred tax liabilities and receivables are calculated on the basis of the tax regulations in force on the reporting date at the tax rate which is projected to apply in the period in which the respective liability is settled or the receivable is due. In 2023, the recoverability of all loss carryforwards was assessed on the basis of a five-year plan. Deferred tax assets were only recognised in the amount to which recognition is probable through future gains. Deferred tax liabilities which primarily arise due to the capitalisation of development costs as well as customer relationships / technology are classified as deferred tax expenses or, if possible, settled with deferred tax assets. The taxes on EBT are split into the actual and deferred income taxes as follows:

	2023	2022
	KEUR	KEUR
Current tax expenses	-9,649	-9,567
– Current year	-9,680	-9,495
– Previous years	31	–72
Deferred tax expenses / income	447	2,076
– Development / reversal of deferred differences	447	2,076
	-9,202	**-7,491**

Corporate income taxes, including the solidarity surcharge and trade tax in addition to similar taxes calculated on the basis of foreign income, are reported as income taxes. Deferred taxes for all substantial differences between the trade balance and fiscal balance, as well as any consolidation measures, are also recognised under these items. Substantial indications for the recognition of deferred tax assets on unused tax loss carryforwards that exceed the earnings from the reversal of existing, taxable temporary differences, result from:

+ The continual improvement in the earnings of core operations;
+ The increasing maintenance volume;
+ The planning of the individual companies that belong to the Nexus Group.

In determining the tax rates, a domestic tax rate of 15% plus the solidarity surcharge, namely 15.82% in total, was recognised for the Group tax burden, and rates between 10.85% and 17.16% were recognised for trade tax, which differs depending on the municipality. Foreign income tax rates are between 12.65% and 28.6%. The reported tax expenses deviated from the projected tax expenses calculated on the application of the nominal tax rate for Nexus AG of 30.15% (previous year: 30.77%) on earnings as per IFRS. The relationship between the projected tax expenses and the actual tax expenses resulting from the consolidated profit and loss statement result is represented in the following transitional calculations:

	2023	2022
	KEUR	KEUR
Earnings before taxes	32,994	27,260
Projected tax expenses 30.15% (previous year: 30.77%)	-9,946	-8,388
Change in non-capitalised deferred taxes on loss carryforwards	788	51
Tax rate differences amongst subsidiaries	1,186	1,200
Deviations from non-deductible expenses	-634	-346
Taxes and other deviations from previous years	-596	-8
Tax expenses according to the consolidated profit and loss statement	**-9,202**	**-7,491**
Effective tax expenses (in %)	27.9	27.5

10. EARNINGS PER SHARE

The undiluted earnings per share are calculated on the basis of the division of the consolidated net income owed to the shareholders by the average weighted number of shares in circulation during the period. In order to calculate the diluted earnings per share, the consolidated net income owed to the shareholders and the average weighted number of shares in circulation during the period is adjusted by the effects of all potentially diluted shares, which result from the exercise of granted options.

An average number of stocks of 17,246 thousand (previous year 15,955 thousand) was used as the basis for calculating the undiluted result per share.

An average number of stocks of 17,249 thousand (previous year 16,006 thousand) was used as the basis for calculating the diluted result per share under consideration of the existing stock options.

Presentation of earnings per share:

	2023	2022
Consolidated net income (Group share) in KEUR	24,031	19,347
Undiluted average of issued shares in circulation (in thousands)	17,246	15,955
Earnings per share in EUR (undiluted)	1.39	1.21
Diluted average of issued shares in circulation (in thousands)	17,249	16,006
Earnings per share in EUR (diluted)	1.39	1.21

The weighted average of ordinary shares (undiluted and diluted) for the fiscal years 2023 and 2022 has been calculated as follows:

	Common shares		Ordinary shares from capital increase (+)		Buy-backs (-) Treasury shares		Issuance (+) Treasury shares		Total Common shares	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
January	17,229,256	15,801,450	—	—	-	21,192	-	-	17,229,256	15,780,258
February	17,229,256	15,780,258	—	—	-	13,808	-	-	17,229,256	15,766,450
March	17,229,256	15,766,450	—	—	-	-	10,000	-	17,239,256	15,766,450
April	17,239,256	15,766,450	—	—	-	-	-	-	17,239,256	15,766,450
May	17,239,256	15,766,450	—	—	-	-	-	-	17,239,256	15,766,450
June	17,239,256	15,766,450	—	—	-	-	34,310	-	17,273,566	15,766,450
July	17,273,566	15,766,450	—	—	3,916	-	-	-	17,269,650	15,766,450
August	17,269,650	15,766,450	—	—	6,745	-	177	352	17,263,082	15,766,802
September	17,263,082	15,766,802	—	1,450,000	2,088	-	209	-	17,261,203	17,216,802
October	17,261,203	17,216,802	—	—	6,362	-	-	-	17,254,841	17,216,802
November	17,254,841	17,216,802	—	—	8,260	-	16,980	2,454	17,263,561	17,219,256
December	17,263,561	17,219,256	—	10,000	8,000	-	9,048	-	17,264,609	17,229,256
Total			**—**	**1,460,000**	**35,371**	**35,000**	**70,724**	**2,806**		
Average (undiluted)									17,245,925	15,954,762
Effect of shares from AOP Executive Board 2015-2017									—	24,000
Effect of shares from AOP Executive Board 2018-2020									—	20,048
Management level below the Executive Board									3,436	7,401
Average (diluted)									17,249,361	16,006,211

11. GOODWILL

Within the context of the annual impairment test according to IAS 36, goodwill is allocated respectively on 30/09/ to assess the recoverability of the cash generating units (CGU). The following table shows the CGUs in addition to the relevant assumptions and parameters. The recoverable amount is determined on the basis of the calculation of the value in use on the respective balance sheet date. Accordingly, there is no requirement to amortise at present. The calculated value in use is based on forecasts that account for estimation uncertainty. Substantial uncertainty has been determined in the following items:

a) __ Profit Margin

The profit margin is calculated based on an average value, which is formed partially on the basis of existing contracts and an expansion of license transactions in consideration of the historic profit margin. The profit margins were also adjusted by the expected increase in efficiency.

b) __ Discount Rate

The discount rate for the respective CGU is determined by a standard WACC (weighted average cost of capital).

c) __ Performance of Market Shares and Service Revenues

These assumptions are of particular importance, as this estimation reflects how the CGU will perform in comparison to its competitors over the planning period. At the same time, it must be taken into account that this does not pertain to clearly defined markets, but instead primarily to project transactions, which do not permit clear comparisons.

d) __ Detailed Planning Phase

The growth rates in the detailed planning stage are based on published, industry-related market research. They are also significantly influenced by the individual estimates of future potential made by the CGUs. The specific risks of each CGU are accounted for in these regard. These assumptions are supported by concrete sales, development and marketing plans.

e) __ Sensitivity Analysis

In a sensitivity analysis, the key parameters of the impairment test are adjusted in line with reasonable assumptions concerning probable performance. An increase of the discount rate by 100 basis points and a decrease of the relevant cash flow by 5% would not result in any need to decrease the value of goodwill.

Presentation of the cash-generating units and relevant assumptions and parameters:

<table>
<tr><th>Cash-generating unit</th><th>Assignable company</th><th colspan="2">Organic growth in % for the detailed planning period of 3 years [1]</th><th colspan="2">Discount rate in % before taxes for the cash flow forecast</th><th colspan="2">Goodwill (in KEUR)</th></tr>
<tr><th></th><th></th><th>2023</th><th>2022</th><th>2023</th><th>2022</th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="9">NEXUS / DE</td><td>NEXUS / CLOUD IT GmbH</td><td rowspan="9">8</td><td rowspan="9">7</td><td rowspan="9">12.77</td><td rowspan="9">12.73</td><td rowspan="9">18,678</td><td rowspan="9">17,189</td></tr>
<tr><td>NEXUS / ENTERPRISE SOLUTIONS GmbH</td></tr>
<tr><td>NEXUS / IPS GmbH</td></tr>
<tr><td>NEXUS / MARABU GmbH</td></tr>
<tr><td>NEXUS / QM GmbH</td></tr>
<tr><td>Nexus AG</td></tr>
<tr><td>Nexus Deutschland GmbH</td></tr>
<tr><td>NEXUS / SCHAUF GmbH</td></tr>
<tr><td>NEXUS SWISSLAB GmbH</td></tr>
<tr><td rowspan="18">NEXUS / DIS</td><td>GePaDo - Softwarelösungen für Genetik - GmbH</td><td rowspan="18">5</td><td rowspan="18">6</td><td rowspan="18">12.95</td><td rowspan="18">12.9</td><td rowspan="18">48,803</td><td rowspan="18">31,189</td></tr>
<tr><td>ifa systems AG</td></tr>
<tr><td>ifa united i-tech Inc.</td></tr>
<tr><td>ifa-systems informationssysteme für augenärzte GmbH</td></tr>
<tr><td>IFMS GmbH</td></tr>
<tr><td>arkandus GmbH</td></tr>
<tr><td>LPC Laboratory Process Consulting GmbH</td></tr>
<tr><td>MARIS Healthcare GmbH</td></tr>
<tr><td>NEXUS / ASTRAIA GmbH</td></tr>
<tr><td>NEXUS / CHILI GmbH</td></tr>
<tr><td>NEXUS / DIGITAL PATHOLOGY GmbH</td></tr>
<tr><td>NEXUS / DIS GmbH</td></tr>
<tr><td>NEXUS / E&L GmbH</td></tr>
<tr><td>Sophrona Solutions Inc.</td></tr>
<tr><td>VIREQ e-Health GmbH</td></tr>
<tr><td>vireq software solutions GmbH</td></tr>
<tr><td>Weist GmbH</td></tr>
</table>

Cash-generating unit	Assignable company	Organic growth in % for the detailed planning period of 3 years [1)]		Discount rate in % before taxes for the cash flow forecast		Goodwill (in KEUR)	
		2023	2022	2023	2022	2023	2022
NEXUS / ROE	ANT-Informatik AG ANT-Informatik GmbH Creativ Software AG HeimSoft Solutions AG highsystem ag ITR Software GmbH NEXUS / REHA GmbH NEXUS / Österreich GmbH Nexus Enterprise Imaging GmbH NEXUS Nederland B.V. NEXUS POLSKA Sp. z o.o. NEXUS Schweiz AG NEXUS SISINF SL Nexus/France S.A.S. oneICT AG osoTec GmbH RVC Medical IT B.V RVC Medical IT Holding B.V. RVC Medical IT N.V. SmartLiberty SA	6	5	11.41	11.2	68,111	60,754
Total						**135,592**	**109,132**

1) A growth rate of one percent was assumed for the extrapolation of the cash flows after the detailed planning period.

The development of the goodwill is shown in the following table.

	Procurement and conversion costs						
	01/01/2023	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	109,309	24,039	2,421	-	-	-	135,769
Total	**109,309**	**24,039**	**2,421**	**-**	**-**	**-**	**135,769**

	Cumulated depreciation						Carrying amount	
	01/01/2023	Currency changes	Inflows	Reclassification	Outflows	31/12/2023	31/12/2023	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	135,592	109,132
Total	**177**	**-**	**-**	**-**	**-**	**177**	**135,592**	**109,132**

	Procurement and conversion costs						
	01/01/2022	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	103,104	4,912	1,293	-	-	-	109,309
Total	**103,104**	**4,912**	**1,293**	**-**	**-**	**-**	**109,309**

	Cumulated depreciation						Carrying amount	
	01/01/2022	Currency changes	Inflows	Reclassification	Outflows	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	109,132	102,927
Total	**177**	**-**	**-**	**-**	**-**	**177**	**109,132**	**102,927**

12. OTHER INTANGIBLE ASSETS

The development of other intangible assets is presented in the following fixed-asset movement schedule:

	Acquisition or manufacturing costs						
	01/01/2023	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	8,049	23	75	779	64	101	8,889
Development costs	67,144	-	242	3,777	-64	242	70,857
Customer base / technology	61,663	29,541	1,352	-	-	470	92,086
Trademark rights	8,840	-	36	-	-	-	8,876
Cost of contract fulfilment	—	-	-	2,204	-	-	2,204
Total	**145,696**	**29,564**	**1,705**	**6,760**	**-**	**813**	**182,912**

	Cumulated depreciation						Carrying amount	
	01/01/2023	Currency changes	Additions	Reclassification	Disposals	31/12/2023	31/12/2023	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	7,518	131	442	-27	86	7,978	911	531
Development costs	58,650	155	3,807	27	—	62,639	8,218	8,494
Customer base / technology	36,703	471	6,403	—	470	43,107	48,979	24,960
Trademark rights	-	-	-	-	-	-	8,876	8,840
Cost of contract fulfilment	-	-	-	-	-	-	2,204	—
Total	**102,871**	**757**	**10,652**	**—**	**556**	**113,724**	**69,188**	**42,825**

	Acquisition or manufacturing costs						
	01/01/2022	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	7,621	-	6	156	-371	105	8,049
Development costs	65,092	-	43	2,380	371	-	67,144
Customer base / technology	58,716	2,640	235	98	-	26	61,663
Trademark rights	8,812	-	28	-	-	-	8,840
Cost of contract fulfilment	-	-	-	-	-	-	—
Total	**140,241**	**2,640**	**312**	**2,634**	**—**	**131**	**145,696**

	Cumulated depreciation						Carrying amount	
	01/01/2022	Currency changes	Additions	Reclassification	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	6,690	-	408	427	7	7,518	531	931
Development costs	55,022	2	4,053	-427	-	58,650	8,494	10,070
Customer base / technology	31,932	3	4,768	-	-	36,703	24,960	26,784
Trademark rights	-	-	-	-	-	-	8,840	8,812
Cost of contract fulfilment	-	-	-	-	-	-	—	—
Total	**93,644**	**5**	**9,229**	**—**	**7**	**102,871**	**42,825**	**46,597**

__ Research and Development

Total expenses for developments were KEUR 44,572 in 2023 (previous year: KEUR 39,023). Of the total development expenses, KEUR 3,777 (previous year: KEUR 2,380) were capitalized.

__ Contract fulfiment costs

As at 31 December 2023, the carrying amount of the capitalised contract fulfilment costs was KEUR 2,204 (previous year: KEUR 0). In the reporting year, capitalised contract fulfilment costs of KEUR 0 (previous year: KEUR 0) were recognised as an expense. Impairment losses of KEUR 0 (previous year: KEUR 0) were recognised on capitalised contract fulfilment costs in the financial year.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment primarily comprises land and buildings, furniture, fixtures, and equipment as well as construction in progress. Property, plant and equipment is not subject to any restrictions in terms of the respective disposal options. There are restrictions on disposal rights as well as tangible assets pledged as collateral for debts in the class of properties, leasehold rights and buildings in the amount of KEUR 1,300 (previous year: KEUR 1,300). The development of fixed assets and property, plant and equipment is included in the following assets analysis:

	Acquisition and manufacturing costs						
	01/01/2023	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,687	2	53	886	-21	230	2,377
Other operating supplies and equipment	13,171	444	331	1,702	38	155	15,531
Properties, leasehold rights and buildings	8,039	10	-	8	-17	-	8,040
Total	**22,897**	**456**	**384**	**2,596**	**-**	**385**	**25,948**

	Cumulated depreciation						Carrying amount	
	01/01/2023	Currency changes	Additions	Reclassification	Disposals	31/12/2023	31/12/2023	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	904	13	139	31	3	1,084	1,293	783
Other operating supplies and equipment	8,444	251	2,117	-31	142	10,639	4,892	4,727
Properties, leasehold rights and buildings	868	-	209	-	-	1,077	6,963	7,171
Total	**10,216**	**264**	**2,465**	**-**	**145**	**12,800**	**13,148**	**12,681**

	Acquisition and manufacturing costs						
	01/01/2022	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,384	-	4	383	3	87	1,687
Other operating supplies and equipment	10,943	30	20	2,611	-20	413	13,171
Properties, leasehold rights and buildings	8,001	18	1	2	17	-	8,039
Total	**20,328**	**48**	**25**	**2,996**	**-**	**500**	**22,897**

	Cumulated depreciation						Carrying amount	
	01/01/2022	Currency changes	Additions	Reclassification	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	850	-	141	-	87	904	783	534
Other operating supplies and equipment	6,899	-	1,913	-	368	8,444	4,727	4,044
Properties, leasehold rights and buildings	641	-	227	-	-	868	7,171	7,360
Total	**8,390**	**-**	**2,281**	**-**	**455**	**10,216**	**12,681**	**11,938**

14. LEASES AND USAGE RIGHT LIABILITIES

The Group has primarily concluded lease agreements for its furniture, fixtures, and equipment (incl. IT hardware) and its company cars and lease agreements for the premises. These agreements are used to finance and procure the necessary operational assets. The benefits that led to the decision to conclude or maintain these leases are primarily the lack of capital commitment for the company in the procurement of the necessary operational assets. Furthermore, lease financing does not pose any utilisation risk for the company and enables us to secure the current state of technological development at short notice.

For recognition and measurement purposes, Nexus AG applies the portfolio approach in accordance with IFRS 16.B1 and combines individuals leases for buildings, motor vehicles and contracts for printers, servers, hardware and other items on the basis of similar characteristics, resulting in no material differences compared to accounting for the individual agreements.

The development of the separately reported rights of use for assets that are accounted for in fixed assets under leases is as follows:

	Acquisition and manufacturing costs					
	01/01/2023	Additions from business combinations	Currency changes	Additions	Disposals	31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	23,868	961	381	1,551	2,198	24,563
Leases for motor vehicles	5,620	235	67	2,305	1,674	6,553
Leases for printers, servers, hardware an miscellaneous	187	9	5	75	109	167
Total	**29,675**	**1,205**	**453**	**3,931**	**3,981**	**31,283**

	Accumulated depreciations					Carrying amount	
	01/01/2023	Currency changes	Additions	Disposals	31/12/2023	31/12/2023	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	7,999	119	1,911	2,001	8,028	16,535	15,869
Leases for motor vehicles	3,173	36	3,450	3,174	3,485	3,068	2,447
Leases for printers, servers, hardware an miscellaneous	128	1	38	131	36	131	59
Total	**11,300**	**156**	**5,399**	**5,306**	**11,549**	**19,734**	**18,375**

	Procurement and conversion costs						
	Interest rate on capital borrowed in other countries	01/01/2022	Additions from business combinations	Currency changes	Additions	Disposals	31/12/2022
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	2.06%	18,959	174	113	6,553	1,931	23,868
Leases for motor vehicles	1.65%	6,189	24	84	1,285	1,962	5,620
Leases for printers, servers, hardware an miscellaneous	2.63%	147	-	—	40	—	187
Total		**25,295**	**198**	**197**	**7,878**	**3,893**	**29,675**

	Accumulated depreciations					Carrying amount	
	01/01/2022	Currency changes	Additions	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	5,321	66	3,119	507	7,999	15,869	13,638
Leases for motor vehicles	3,410	55	1,836	2,128	3,173	2,447	2,779
Leases for printers, servers, hardware an miscellaneous	89	—	39	—	128	59	58
Total	**8,820**	**121**	**4,994**	**2,635**	**11,300**	**18,375**	**16,475**

The following tables show the interest expenses on lease liabilities, the breakdown of liabilities into current and non-current, the expenses for current and low-value leases, variable lease expenses not included in the measurement of lease liabilities and total cash outflows for existing leases in the fiscal year 2023:

Interest expenses, liabilities, lease payments 2023	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	392	3,169	13,468	241
Leases for motor vehicles	76	1,600	1,874	205
Leases for printers, servers, hardware and miscellaneous	5	38	96	19
Total	**473**	**4,807**	**15,438**	**465**

Interest expenses, liabilities, lease payments 2022	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	276	3,002	13,111	263
Leases for motor vehicles	52	1,328	1,170	70
Leases for printers, servers, hardware and miscellaneous	2	28	32	7
Total	**330**	**4,358**	**14,313**	**340**

Cash outflows	2022	2023	2024	2025-2028	from 2029
	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	3,584	3,802	2,402	7,055	4,673
Leases for motor vehicles	1,957	1,949	954	858	7
Leases for printers, servers, hardware and miscellaneous	41	41	24	58	-
Total	**5,582**	**5,792**	**3,380**	**7,971**	**4,680**

15. CONTRACT ASSETS

Contract assets		31/12/2023
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	11,240	50
Risk provisions according to IFRS 9	-162	-
Total	**11,078**	**50**

Contract assets		31/12/2022
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	5,439	-
Risk provisions according to IFRS 9	-77	-
Total	**5,362**	**-**

For the determination of risk provisions, see Note 29.

16. DEFERRED TAXES

Deferred tax assets and liabilities were settled in accordance with IAS 12.

As at 31/12/2023, no deferred tax liabilities were recognised on gains received from subsidiaries or companies valued at equity because the Group assumed that the profits that have not yet been distributed will not be distributed in the foreseeable future. Furthermore, the amount of taxes resulting for the Group is insubstantial in the case of distribution to the parent company under the German tax system.

Corporate income tax loss carryforwards amounted to KEUR 3,057 (previous year: KEUR 1,005) domestically, in addition to trade tax loss carryforwards, which amounted to KEUR 3,027 (previous year: KEUR 979). Foreign Group companies reported tax loss carryforwards amounting to KEUR 11,982 (previous year: KEUR 717). Loss carryforwards in the total volume amounted to KEUR 26 (previous year: KEUR 26), which have been assessed as non-utilisable (corporate income tax KEUR 26 (previous year: KEUR 26), trade tax KEUR 0 (previous year: KEUR 0)). Of which a total of KEUR 26 (previous year: KEUR 26) can be carried forward indefinitely without any restrictions.

Presentation of the causes of deferred tax assets and liabilities:

	Group – Balance Sheet		Group – P&L	
	31/12/2023	31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
	KEUR	KEUR	KEUR	KEUR
Deferred tax assets				
Tax loss carryforwards	2,628	470	789	51
Measurement differences for tax goodwill	-	4	-4	-
Measurement differences for pensions	1,950	1,540	150	-270
Measurement differences for provisions	2	105	-102	7
Measurement differences for securities	-	-	-	-
Other	28	54	-	57
	4,608	**2,173**	**833**	**-155**
Settlement with deferred tax liabilities / expenses	-1,341	-1,058	-833	155
Total deferred tax assets	**3,267**	**1,115**	**-**	**-**
Deferred tax liabilities				
Development Costs	1,553	2,309	-59	647
Measurement differences for receivables	140	163	-14	-51
Technology / expertise	10,460	7,316	1,019	1,202
Project orders	1,209	-536	-1,818	445
Property and buildings	111	114	3	13
Accrued liabilities	-198	-	189	-
Other liabilities	44	335	294	-25
	13,319	**9,701**	**-386**	**2,231**
of which settled with deferred tax receivables/income	-1,341	-1,058	833	-155
Total deferred tax liabilities	**11,978**	**8,643**	**447**	**2,076**

	2023	2022
	KEUR	KEUR
Adjustment of deferred taxes as profit or loss	447	2,076
Adjustment of deferred taxes entered in other comprehensive income under pension provisions	180	-1,620
Adjustment of deferred taxes entered in other comprehensive income due to currency translations	153	78
Inflows and outflows of deferred taxes in the context of inflows to consolidated companies	-1,963	-487
Adjustments to deferred taxes in balance sheet items	**-1,183**	**47**

17. OTHER FINANCIAL ASSETS AND CURRENT FINANCIAL ASSETS

Other financial assets and current financial assets comprise the following:

	31/12/2023	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to third parties	24	1,634
Security deposits	529	283
Travel expense advances	46	-
Vendor with a debit balance	145	-
Fixed deposit account	81,570	-
Receivables from purchase price adjustments	1,245	-
Goverment Grants	736	-
Miscellaneous	766	113
Total other financial assets	**85,061**	**2,030**

	31/12/2022	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	40	20
Security deposits	499	314
Travel expense advances	49	-
Fixed deposit account	90,442	-
Miscellaneous	491	49
Total other financial assets	**91,521**	**383**

Please refer to Note 29 for the calculation of risk provisions for other financial assets.

Other financial assets inlcude the following before impairment losses in accordance with IFRS 9 in the amount of KEUR 40 (previous year: KEUR 45) as of 31/12/2023, Other financial assets include various time deposits in the amount of KEUR 80,000 (previous year: KEUR 90,000), which do not meet the criteria of IAS 7.7 and are therefore reported under Other financial assets; there is also realized interest not yet due in the amount of KEUR 1,610.

18. INVENTORIES

Inventories are composed of the following:

	31/12/2023	31/12/2022
	KEUR	KEUR
Finished good and services	3,227	865
Advance payments	13	129
	3,240	**994**

No impairment losses or gains were recognised in the reporting year, as in the previous year. There are no inventories that have been accounted for at the net realisable price in the current fiscal year.

19. TRADE AND OTHER RECEIVABLES

	2023	2022
	KEUR	KEUR
Gross carrying amount	51,290	43,886
Risk provisions according to IFRS 9	–1,249	–951
Revenue adjustment for items still under clarification	–3,010	–4,781
Total	**47,031**	**38,154**

Non-current receivables with a payment due date of over one year amounting to KEUR 948 (previous year: KEUR 0) were listed under trade and other receivables.

Trade and other receivables in the amount of KEUR 324 (previous year: KEUR 517) were derecognised in the fiscal year 2023. Incoming payments on derecognised receivables amounted to KEUR 65 (previous year: KEUR 123). Trade and other receivables were impaired with a nominal value of KEUR 4,259 (previous year: KEUR 5,732) on 31/12/2023.

20. OTHER NON-FINANCIAL ASSETS

Other non-financial assets are composed of the following:

	31/12/2023	31/12/2022
	KEUR	KEUR
Prepaid expenses and deferred income	3,019	1,658
Receivables within the scope of social security	153	37
Advanced payments	169	310
Value added tax	187	91
Wage and salary advances	25	54
Other	60	20
Total other non-financial assets	**3,614**	**2,170**

21. RECEIVABLES FROM INCOME TAXES

Receivables from income taxes are composed of the following:

	31/12/2023	31/12/2022
	KEUR	KEUR
Income tax receivables	1,249	1,465
Total Income tax receivables	**1,249**	**1,465**

22. EQUITY

Equity amounted to KEUR 258,582 (previous year: KEUR 238,946) on the reporting date. Please refer to the statement of changes in Group equity for more information.

a) __ Subscribed Capital

As at 31/12/2023, subscribed capital is split into 17,274,695 (previous year: 17,274,695) in no-par value bearer shares with a theoretical par value of EUR 1.00 each and paid in the full amount. There are no other classes of shares. All shares are ordinary shares and grant the same rights provided for by law.

b) __ Capital Reserves

Capital reserves primarily comprise surcharges from the capital increase in the fiscal year 2000 associated with the IPO of Nexus AG in addition to the increase of the capital reserves in the amount from the issuance of new shares against a non-cash capital contribution as well as the exercise of stock options by Executive Board members, members of the management of subsidiaries and employees of the NEXUS Group. The directly attributable expenses incurred within the context of the cash capital increase and capital increase through contributions in kind were settled with capital reserves. With regard to the share-based payment, we refer to the Note 28.

c) __ Retained Earnings

Retained earnings include profit carryforwards, other retained earnings, statutory reserves and consolidated net income.

d) __ Accumulated Other Comprehensive Income

The equity difference from foreign currency translation results from differences incurred by the currency translation of the annual financial statements of foreign subsidiaries. The pension provisions include actuarial accumulated gains and losses from the measurement of pension provisions after the settlement of deferred taxes.

	Revaluation from pension plans recognized in equity	Deferred taxes on revaluation from pension plans recognized in equity	Currency translation differences	Deferred taxes on currency translation differences	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
01/01/2022	-9,160	1,339	844	150	-6,827
Actuarial profit / loss 2022	9,543	—	—	—	9,543
Deferred taxes on revaluation from pension plans recognized in equity	—	–1,617	—	—	–1,617
Deferred taxes Foreign currency differences	—	—	—	78	78
Foreign currency differences on revaluation from pension plans recognized in equity	—	—	–565	—	–565
Changes in unrealized gains/losses	—	—	1,387	—	1,387
31/12/2022	**383**	**–278**	**1,666**	**228**	**1,999**

	Revaluation from pension plans recognized in equity	Deferred taxes on revaluation from pension plans recognized in equity	Currency translation differences	Deferred taxes on currency translation differences	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
01/01/2023	383	-278	1666	228	1,999
Actuarial profit / loss 2023	-853	—	—	—	-853
Deferred taxes on revaluation from pension plans recognized in equity	—	180	—	—	180
Deferred taxes Foreign currency differences	—	—	—	-6	-6
Foreign currency differences on revaluation from pension plans recognized in equity	—	—	–175	—	-175
Changes in unrealized gains/losses	—	—	2,253	—	2,253
31/12/2023	**–470**	**–98**	**3,744**	**222**	**3,398**

e) __ Authorised Capital

The authorisation granted at the Annual General Meeting on 27 April 2021 to increase the company's share capital once or several times by up to a total of EUR 3,100,000.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2021); which still amounts to EUR 1,577,536.00 due to partial utilisation, was cancelled at the Annual General Meeting 2023 and new authorisations to increase the share capital were created.

Authorised capital I 2023

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions by up to a total of EUR 1,727,469.00 in the period up to 30 April 2028 by issuing new no-par value bearer shares (no-par value shares) in return for cash and/or non-cash contributions (Authorised Capital I 2023). The new shares may also be issued to employees of the company or an affiliated company and to members of the company's Executive Board. The Executive Board decides on the conditions of the share issue with the approval of the Supervisory Board; when shares are issued to the Executive Board, the Supervisory Board alone decides on the conditions of the share issue. The Executive Board is also authorised, with the approval of the Supervisory Board, to decide on the exclusion of shareholders' subscription rights in the following cases:

a) for fractional amounts,

b) to issue new shares to employees of the company or an affiliated company and to members of the company’s Management Board,

c) for the issue of new shares against contributions in kind for the acquisitions of companies, parts of companies or inters in companies,

d) to issue new shares against cash contributions if the issue price of the new shares is not significantly lower than the market price of the shares of the same class and features already listed on the stock exchange at the time of the final determination of the issue price by the Executive Board within the meaning of Sections 203 (1) and (2), 186 (3) sentence 4 AktG and the total pro rata amount of the share capital attributable to the new shares for which subscription rights are excluded is 10% of the share capital existing at the time this authorisation is entered in the commercial register (EUR 4 AktG and the total pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the share capital existing at the time of entry of this authorisation in the commercial register (EUR 17,274,695.00) and - cumulatively - 10% of the share capital existing at the time of the issue of the new shares. The pro rata amount of the share capital attributable to new or repurchased shares that have been issued or sold since the entry of this authorisation in the commercial register with simplified exclusion of subscription rights pursuant to or in accordance with Section 186 (3) sentence 4 AktG must be deducted from the maximum limit of 10% of the share capital. Likewise, the proportionate amount of the share capital to which option and/or conversion rights from bonds with warrants and/or convertible bonds and/or conversion obligations from convertible bonds relate that have been issued since the entry of this authorisation in the commercial register in accordance with Section 186 para. 3 sentence 4 AktG.

Authorised capital II 2023

The Executive Board is authorised until the end of 30 April 2028 to increase the company's share capital with the approval of the Supervisory Board on one or more occasions by up to a total of EUR 3,454,900.00 by issuing new no-par value bearer shares in return for cash contributions ("Authorised Capital II 2023"). Shareholders are generally entitled to subscription rights. In accordance with Section 186 para. 5 AktG, the new shares can also be taken over by a bank or a company operating in accordance with Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG) with the obligation to offer them to shareholders for subscription ("indirect subscription right"). The Executive Board is also authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of shareholders once or several times for fractional amounts only.

The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases from this Authorised Capital II 2023, including the further content of the respective share rights and the conditions of the share issue. The Supervisory Board is authorised to amend the wording of Article 4 para. 5 of the Articles of Association following the full or partial implementation of the increase in share capital in accordance with the respective utilisation of Authorised Capital II 2023 and if Authorised Capital II 2023 has not been used or not fully used by the end of 30 April 2028, to be adjusted after the authorisation expires.

f) __ Own shares

The own shares were deducted with the total procurement costs in one sum from equity (cost method). As of 31/12/2023, the value of the own shares was KEUR -581 according to the cost method. The company may not use this empowerment to purchase its own stocks for the purpose of trading with its own stocks.

The buy-back was made via a share buy-back program, which the Executive Board approved with the consent of the Supervisory Board on 24/07/2023 decided. In the fiscal year 2023, 35,371 shares were purchased at a price of KEUR 1,941.

The development of own shares can be found in the table below:

Granting of authorisation in the Annual General Meeting on ...	Authorisation valid until ...	Maximum buy-back volumes of max. 10 % of the share capital (in no-par value shares)	Fiscal year in which the transaction occurred	Buy-back (+)/issuance (-) (of no-par value shares)
			Inventory as at 01/01/2023	45,439
16/05/2023	30/04/2028	—	2023	-70,724
			2023	35,371
			Inventory as at 31/12/2023	**10,086**

__ Capital management

The goal of capital management is to maintain the financial standing of the Group in addition to assuring the required financial flexibility in the long term. The equity ratio is also used to measure the financial security of the Group. The ratio is calculated by dividing total equity reported in the balance sheet by total assets. Accordingly, the finance structure is characterised by a conservatively reported capital structure dominated by internal financing. The equity ratio is 62.8% (previous year: 69.4%) on the balance sheet date. Debt financing almost exclusively pertains to liabilities resulting from business operations. There are no interest-bearing current financial liabilities.

To be able to realize larger acquisitions in the coming years, we implemented a capital increase of 9.17% in 2022, with which we received a total of KEUR 72,500. The new funds are to be used for further growth and be invested especially in internationalization and product innovations. We have decided on the cash capital increase to the exclusion of the subscription right to be able to win a long-term oriented core stockholder.

In May 2023, a dividend of EUR 0.21 was paid on the 17,239,256 no-par value bearer shares with dividend rights. A dividend pay-out of EUR 0.22 per no-par value bearer share with dividend rights was proposed for the fiscal year 2023.

23. PENSION OBLIGATIONS

Pension provisions have been accrued for Nexus / IPS GmbH, NEXUS / CLOUD IT GmbH and for the direct pension obligations (direct commitments) taken on from Forest Gesellschaft für Products & Services mbH as of 30/09/2000, as well as for the pension obligations taken on from NEXUS / ENTERPRISE SOLUTIONS and NEXUS SWISSLAB GmbH. The pension obligations of Nexus AG (direct commitment) are congruently covered by a plan assets (reinsurance).

The majority of defined benefit plans in Germany pertain to pension plans based on bargaining agreements from the pension obligations taken on from NEXUS SWISSLAB GmbH. The provision of the pension benefit is contingent on prerequisites such as the period of employment. The pension contribution amounts to 3.5% of the pensionable remuneration that does not exceed the standard income threshold of general pension insurance, in addition to 13.5% of the part of pensionable remuneration that exceeds the standard income threshold of general pension insurance. 95% of the pension contribution and deferred compensation amount is used to purchase shares in funds to finance the guaranteed pension capital. 5% of the pension contribution and deferred compensation amount is debited to a risk compensation account. The guaranteed pension capital constitutes the minimum benefit owed by NEXUS SWISSLAB GmbH. 1% of the respective pensionable remuneration must be contributed as deferred compensation during the contribution period. The contributions are paid into a pension plan established at Pensionstreuhand e.V. solely for the purpose of the occupational pension plan.

The defined benefit plans in Switzerland pertain to the pension plans according to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). These plans represent complete insurance policies, in which an insurance provider is responsible for all actuarial risks, including capital market risks, at least temporarily. The retirement benefits in the pension plans for the respective companies are based on a defined contribution plan with a guaranteed minimum interest rate and defined conversion rate, which determines benefits in the case of death and disability in a percentage of the insured salary.

The pension plan grants benefits that exceed the statutory minimum benefits under the BVG. The pension plan must be fully funded on the basis of a static valuation in accordance with the provisions of the BVG. In the event of underfunding, the pension fund must take restructuring measures, such as providing for additional employee and employer contributions or a reduction in benefits. The pension plan providers are legal entities and responsible for managing the pension plan.

At all Swiss companies there were plan changes regarding the reduction of the conversion rates in 2023. Past service cost was recognized immediately in other income and amounted to KCHF -639 (previous year: KCHF -37 concerning Creativ Software AG).

In the 2023 fiscal year, the pension obligations of SmartLiberty, Le Landeron were added in Switzerland.

In the Netherlands, the performance-oriented pension plan expired on 31/12/2017 and was changed to a contribution-oriented pension plan with effect from 01/01/2018. As a result of the adjustments to the pension plan, a defined benefit obligation matched by plan assets in the same amount exists on the reporting date.

The level of benefits for pension commitments taken on is based on the number of years of employment and the respective salary of the employee entitled to benefits. The provision has been established for payable benefits in the form of old-age pensions, disability pensions and survivor's pensions. It pertains to unchallengeable claims.

Plan assets similarly exist for obligations in Switzerland and for three companies in Germany and the Netherlands.

The defined benefit plans put pressure on the Group in terms of actuarial risk, namely longevity, currency, interest rate and market (investment) risks.

__ Financing

Whilst the domestic pension obligations, with the exception of Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH are financed by the company, the obligations in the Netherlands and Switzerland as well as in Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH are managed and financed by insurance companies. The funding requirements are based on the actuarial funding method.

__ Calculation Principles

Pensions are calculated on the basis of recognised actuarial principles using the projected unit credit method. The calculation of the pension obligations takes into account market interest rates as well as wage, salary and pension increases. In Germany, the reference tables 2018 G (Verlag Heubeck-Richttafeln-GmbH, Cologne), which include the likelihood of death, disability and being married at the time of death, are used as the biometric bases for calculation. In Switzerland, the statistics for the years 2015-2019 based on the 2020 BVG tariff are used as a basis.

In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2022 was applied with mortality experience adjustments.

The table below shows the basis for the valuation:

	2024 [1]	2023	2022
	%	%	%
Actuarial interest rate (DE)	3.65	4.26	4.26
Interest rate (NL)	4.00	4.20	4.20
Interest rate (CH)	1.80	2.00	2.00
Average labour turnover rate (DE)	-	-	-
Average labour turnover rate (NL)	-	-	-
Average labour turnover rate (CH)[2]	1,7-31,0	1,7-31,0	1,7-31,0
Wage and salary increase (DE)	1.29	1.29	1.29
Wage and salary increase (NL)	-	-	-
Wage and salary increase (CH)	1.20	1.20	1.20
Annual increase in current pensions (DE)	1.29	1.43	1.43
Annual increase in current pensions (NL)	-	-	-
Annual increase in current pensions (CH)	-	-	-

[1] Basis for the sensitivity analysis.

[2] The assumption of the likelihood of leaving the company includes age-dependent gradation. This is 31.0% at the age of 20 and is then gradually lowered until age 60, when the likelihood that an employee leaves the company is 1.7%.

On 31/12/2023, the weighted average term of defined benefit obligations was 22 years in Germany (previous year: 22 years), 18 years in the Netherlands (previous year: 19 years), and 17 years in Switzerland (previous year: 16 years).

__ Change in Net Liabilities from Defined Benefit Obligations

The changes in the present values of defined benefit obligations and the plan assets are as follows:

	2023	2022
	KEUR	KEUR
Present value of the obligation at the start of the reporting period	62,036	75,404
Recognised in profit or loss		
Current service cost	1,493	1,527
Past service cost	-690	-38
Interest cost	1,662	587
Recognised in other comprehensive income		
Actuarial gains (–) / losses (+) from		
– demographic assumptions	-	172
– financial assumptions	2,093	-19,226
– empirical adjustments	-749	737
Currency changes	2,873	2,515
Miscellaneous		
Accrual of pension obligations	4,438	1,432
Paid benefits and departures	-6,966	-1,982
Employee contributions	1,508	1,409
Administrative costs	-	-501
Present value of the obligation at the end of the reporting period	**67,698**	**62,036**

The actuarial gains (-) / losses (+) mainly result from changes in the financial assumptions assumptions, such as the discount rate, projected interest rate expected salary increases and expected pension increases.

	2023	2022
	KEUR	KEUR
Fair value of the plan assets at the start of the reporting period	54,151	59,109
Recorded in profit or loss		
Interest income	1,499	498
Recorded in other comprehensive income		
Income (+) / (-) expenses from plan assets without interest income	490	-8,571
Currency changes	2,498	1,767
Miscellaneous		
Accrual of plan assets	3,983	1,085
Employer contributions	1,555	1,502
Employee contributions	1,508	1,409
Lump-sum payments	-6,926	-1,949
Administrative costs	-20	-699
Fair value of the plan assets at the end of the reporting period	**58,738**	**54,151**

	2023	2022
	KEUR	KEUR
Present value of the externally financed obligations	66,816	61,240
Fair value of the plan assets	58,738	54,151
Deficit	8,078	7,089
Present value of the internally financed obligations	881	796
Funding status	8,959	7,885
Reported pension liabilities	8,959	7,885
of which reported as pension provisions	8,959	7,885

The obligation is divided into the following groups of participants:

	2023	2022
	KEUR	KEUR
Current employees	7,899	7,020
Employees who have left the company with vested benefits	287	276
Retirees	773	589
	8,959	**7,885**

Actuarial gains (-) and losses (+) amounting to KEUR 853 (previous year: KEUR -9,556) were recognised in other comprehensive income in 2023 before adjustment for deferred taxes. Accumulated actuarial losses were recognised as KEUR 2,437 (previous year KEUR 1,407) less deferred taxes in other comprehensive income.

The total expenditure for defined benefit employer's pension commitments, which are listed under staff costs, includes the following:

	2023	2022
	KEUR	KEUR
Current and past service costs	803	1,489
Interest cost	1,662	587
Interest income from plan assets	-1,499	-498
Administrative costs	22	19
Net pension expenditure	**988**	**1,597**

The effective return on plan assets amounted to KEUR 1,989 (previous year: KEUR -8,072) on the balance sheet date. The plan assets account for the Swiss plans in addition to NEXUS Nederland B.V., Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH, and are composed of claims against pension plans.

The plan assets in the Netherlands, Switzerland and Germany are as follows:

	2023	2022
	KEUR	KEUR
Bond	17,172	29,247
Real estate	8,990	8,739
Shares	23,885	8,934
Liquid assets and fixed deposits	3,112	2,970
Miscellaneous	5,579	4,261
Total	**58,738**	**54,151**

The table below shows the development of the defined benefit plans over the last five financial years, including adjustments based on experience:

	2023	2022	2021	2020	2019
	KEUR	KEUR	KEUR	KEUR	KEUR
Present value of pension obligations	67,697	62,036	75,404	69,954	66,322
Fair value of the plan assets	58,738	54,151	59,109	51,136	49,124
Plan deficit	8,959	7,885	16,295	18,818	17,198
Empirical adjustments to the pension obligations	-749	737	402	194	1,695
Empirical adjustments to the plan assets	493	-8,749	207	-171	4,735

The empirical adjustment of the pension obligations amounted to KEUR -749 (previous year: TEUR 737) and to KEUR 493 (previous year: KEUR -8,749) for the plan assets. In Germany, the social pension fund is considered a defined contribution pension plan. The expenses recognised under statutory pension insurance for employees subject to social insurance contributions amounted to KEUR 5,102 in the fiscal year (previous year: KEUR 4,257). Expenses were also incurred for other defined contribution plans for Executive Board members amounting to KEUR 111 (previous year: KEUR 107) in the fiscal year. These pertain to provident fund commitments.

__ Sensitivity Analysis

If other assumptions had remained constant, the possible changes on the reporting date may have influenced the defined benefits plans in the following amounts based on one of the significant actuarial assumptions. We assume that the factors of turnover rate and mortality are not subject to any substantial volatility due to the duration of the key obligations. As such, we have not concluded a sensitivity analysis in this regard.

The table below shows the effects of valuation parameters on the defined benefit obligation:

	2023	2022
Change of the obligation	KEUR	KEUR
Current assumption as of 31/12/		
Total obligations	67,697	62,036
Externally financed obligations	66,816	61,240
Internally financed obligations	881	796
Discounting interest rate +0.5 PP	-6,774	-5,345
Discounting interest rate -0.5 PP	4,710	2,703
Wage increase rate +0.5 PP[1)]	850	762
Wage increase rate -0.5 PP[1)]	-1,262	-800
Wage increase rate +0.5 PP[2)]	-1,204	-1,525
Wage increase rate -0.5 PP[2)]	-1,204	-1,527
Pension increase +0.5 PP[3)]	2,217	1,685
Pension increase -0.5 PP[3)]	-4,642	-4,590
Life expectancy +1 year	-411	-
Life expectancy -1 year	-2,405	-

PP = Percentage points

[1)] Due to the assumption of 0% annual salary increases in Germany (with the exception of NEXUS SWISSLAB GmbH) and Netherlands, the sensitivity analysis only pertains to the salary increase rate for externally financed obligations in the Netherlands and Switzerland.

[2)] The stated amounts solely pertain to the pension obligations of NEXUS SWISSLAB GmbH.

Despite the fact that this analysis does not account for the complete distribution of the projected cash flows according to the plan, it nevertheless provides an approximate value for the sensitivity of the assumptions given. The impact on the projected cash flows in subsequent periods from internal financial commitments is of less importance.

For the fiscal year 2024, pension expenditures of KEUR 1,597, a present value of obligations amounting to KEUR 71,595 and a future value of the plan assets of KEUR 60,761 are forecast.

Employee benefits paid directly by the employer are projected to reach KEUR 383. The projected contributions to the plan assets are forecast to amount to KEUR 1,584 in 2024.

The table below provides an overview of the maturities of the expected benefit obligations over the next ten years.

Maturity analysis	31.12.2023 KEUR	Within 1 year KEUR	Within 1 to 5 years KEUR	After more than 5 years KEUR
Expected performance obligations	25,412	1,782	9,673	13,957

Active risk management in connection with the benefits plan is currently not implemented due to the manageable risks for the entire group.

24. LIABILITIES

The liabilities in terms of maturity are as follows:

	31/12/2023	
	Current (< 1 year) KEUR	Non-current (> 1 year) KEUR
Accruals	18,170	-
- Salary obligations	15,007	-
- Miscellaneous	3,163	-
Other non-financial liabilities	5,929	-
- Other taxes	5,929	-
Trade and other payables	8,740	-
Contract liabilities	24,040	-
Other financial liabilities	9,185	30,335
Income tax liabilities	11,268	-
Lease liabilities	4,807	15,438
Total	**82,139**	**45,774**

	31/12/2022	
	Current (< 1 year) KEUR	Non-current (> 1 year) KEUR
Accruals	15,793	-
- Salary obligations	10,429	-
- Miscellaneous	5,364	-
Other non-financial liabilities	3,843	-
- Other taxes	3,843	-
Trade and other payables	9,989	-
Contract liabilities	16,610	-
Other financial liabilities	1,548	8,716
Income tax liabilities	9,060	-
Lease liabilities	4,358	14,313
Total	**61,201**	**23,029**

Income tax liabilities pertain to effective tax liabilities for the current period and previous periods. They are assessed on the basis of the amount projected to be paid to the tax authorities. The tax rates and regulations that apply on the balance sheet date in the respective country are taken as a basis for the calculation of this amount.

Other taxes mainly concern sales, wage and church taxes as well as social security contributions.

Revenue deferrals are necessary if the performance period for the realisation of revenue for software maintenance differs from the financial year. Deferred revenue is recognised as revenue in the following financial year over the performance period.

Other financial liabilities mainly relate to purchase price liabilities totalling KEUR 39,105 (previous year: KEUR 10,264) from company acquisitions.

The following table shows the book value development of the purchase price obligations in the reporting year:

	KEUR
Status of contingent purchase price payments as at 01/01/2023	10,264
Disposal due to the payment of the remaining purchase price liability of osoTec GmbH	-351
Disposal due to payment of the pro rata payment purchase price liability of RVC Medical IT Holding B.V.	-235
Disposal due to the payment of the pro rata purchase price liability of GePaDo - Softwarelösungen für Genetik - GmbH	-200
Accruals due to compounding	1,068
– SmartLiberty GmbH[1)]	287
– vireq software solutions GmbH	259
– GePaDo - Softwarelösungen für Genetik - GmbH	138
– Maris Healthcare GmbH	122
– ITR Software GmbH	81
– RVC Medical IT Holding B.V.	70
– NEXUS / SCHAUF GmbH	35
– ANT-Informatik AG[1)]	32
– OneICT AG[1)]	25
– IFMS GmbH	19
Increase in the purchase price liability due to changes in the estimates related to	1,199
– ITR Software GmbH	493
– IFMS GmbH	342
– OneICT AG	321
– highsystem ag	24
– On-LAB	19
Reduction in the purchase price liability due to changes in the estimates related to	-641
– NEXUS POLSKA Sp. z o. o.	-615
– RVC Medical IT Holding B.V.	-26
Accruals due to company acquisitions	27,402
Adjustments due to exchange rate changes	599
Status of contingent purchase price payments as at 31/12/2023	**39,105**

1) Inclusive exchange rate effects

	KEUR
Status of contingent purchase price payments as at 01/01/2022	11,595
Disposal due to the payment of the pro rata purchase price liability of osoTec GmbH	-448
Disposal due to the payment of the pro rata purchase price liability of RVC Medical IT Holding B.V.	-30
Disposal due to the payment of the remaining purchase price liability of Creativ Software AG	-2,533
Disposal due to the payment of the remaining purchase price liability of NEXUS POLSKA Sp. z o. o.	-1,491
Disposal due to the payment of the remaining purchase price liability of SINAPSI Sagl	-123
Accruals due to compounding	96
– OneICT AG[1)]	34
– ANT-Informatik AG[1)]	31
– highsystem ag[1)]	11
– osoTec GmbH[1)]	10
– Sophrona Solutions Inc.[1)]	3
– RVC Medical IT Holding B.V.	3
– ITR Software GmbH	3
– HeimSoft Solutions AG[1)]	1
Increase in the purchase price liability due to changes in estimates in connection with the	632
– ITR Software GmbH	571
– highsystem ag	58
– osoTec GmbH	3
Reduction in the purchase price liability due to changes in estimates in connection with the	-1,435
– NEXUS POLSKA Sp. z o. o.	-773
– RVC Medical IT Holding B.V.	-465
– OneICT AG	-143
– On-LAB	-38
– SINAPSI Sagl	-16
Accruals due to company acquisitions	3,728
Adjustments due to exchange rate changes	273
Status of contingent purchase price payments as at 31/12/2022	**10,264**

1) Inclusive exchange rate effects

25. PROVISIONS

Provisions are composed of the following:

	As at 01/01/2023	Additions from business combinations	Currency changes	Utilization2023	Reversal 2023	Additions 2023	As at 31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Services yet to be rendered	4,004	—	143	2,143	1,604	3,462	3,862
Remaining provisions	488	60	9	197	60	122	422
	4,492	**60**	**152**	**2,340**	**1,664**	**3,584**	**4,284**

The payments still to be made pertain to risks in the project business from impending follow-up costs, which are calculated based on empirical values and the costs still to be expected. Use of them is expected in the coming year.

There are breaches of warranty totalling EUR 1,379 thousand from a share purchase agreement concluded in the 2023 financial year. NEXUS has reported these to the seller. According to a legal assessment, a legal dispute cannot be ruled out, for this reason, no information on the estimated inflow of economic benefits can be provided at this time.

26. CASH FLOW STATEMENT

The Consolidated Cash Flow Statement shows how cash and cash equivalents changed due to inflows and outflows in the reporting year. The Consolidated Cash Flow Statement is structured according to payment flows from current transactions, investments and financing activity. The cash flow from current business transactions is determined according to the indirect method.

The funds balance is composed for the balance sheet items cash and cash equivalents in the amount of KEUR 17,434 (previous year KEUR 20,019). Only insignificant cash and cash in banks are included.

The following tables show a reconciliation of liabilities from financing activities.

	01/01/2023	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2023
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Other financial liabilities	10,263	-786	27,402	601	576	-	1,068	396	39,520
Lease liabilities	18,671	-5,793	1,206	607	-	5,349	-	205	20,245
Liabilities from financing activities	**28,934**	**-6,579**	**28,608**	**1,208**	**576**	**5,349**	**1,068**	**601**	**59,765**

	01/01/2022	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Other financial liabilities	11,595	-4,625	3,728	272	-803	-	96	-	10,263
Lease liabilities	16,631	-5,252	197	477	-	6,618	-	-	18,671
Liabilities from financing activities	**28,226**	**-9,877**	**3,925**	**749**	**-803**	**6,618**	**96**	**-**	**28,934**

27. SEGMENTED REPORTING BY OPERATION

According to IFRS 8, operating segments must be separated on the basis of internal controlling and reporting.

As the highest decision-making body in the Group, the Nexus AG Executive Board is responsible for monitoring the profitability of the Group and makes its decisions on the allocation of resources based on the business units NEXUS / DE (Germany), NEXUS / DIS (Diagnostic systems), NEXUS / ROE (Rest of Europe). These business units are accordingly regarded as the operative segments as per IFRS 8. The legal units included in the consolidated financial statements are also each allocated in full to a business unit. Each business unit therefore comprises one or more legal units.

The NEXUS / DE segment develops and distributes software solutions for the healthcare sector in the administrative and medical sectors for the German market. In the NEXUS / DIS segment, diagnostic software solutions are developed and distributed for both the German and international markets. The NEXUS / ROE segment develops and distributes software solutions for the healthcare sector in the administrative and medical sectors for the international market. The economic development of these segments reacts uniformly to external influences.

Management uses the respective segment earnings and revenues to determine planning for the segments.

The accounting policies for the segments with mandatory reporting correspond to the same accounting policies as external reporting. Transactions between segments are settled at customary market conditions.

The revenue and earnings as well as segment assets and liabilities are presented for the individual Group segments subject to mandatory reporting:

The geographic segments of the Group are determined according to the location of the Group's assets. Sales to external customers, which are entered in the respective geographic segments, are listed in the individual segments according to the geographic locations of the customers.

The geographic segments are as follows:

	2023	2022
	KEUR	KEUR
Revenue		
Germany	132,198	112,150
Switzerland / Liechtenstein	49,878	43,420
The Netherlands	26,569	24,306
Poland	12,497	8,831
France	7,381	6,915
Austria	4,762	4,955
Other regions	8,174	8,551
	241,459	**209,128**
Fixed assets		
Germany	125,566	89,994
Switzerland	55,616	36,981
The Netherlands	39,443	38,411
Poland	8,060	7,391
USA	3,453	3,725
France	3,217	3,170
Spain	3,208	3,299
Austria	98	42
	238,660	**183,013**

Reporting according to business segment	NEXUS / DE		NEXUS / DIS		NEXUS / ROE		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	KEUR	KEUR	KEUR	KEUR
Revenue										
Sales to third parties	77,574	67,119	53,242	46,513	110,643	95,496	-	-	241,459	209,128
– Services and software maintenance	57,108	50,761	39,048	30,546	88,647	78,131	-	-	184,803	159,438
– Licenses	18,453	14,847	8,929	10,252	12,528	11,540	-	-	39,910	36,639
– Supplies	2,013	1,511	5,265	5,715	9,468	5,825	-	-	16,746	13,051
Sales between segments	2,774	2,796	6,445	4,653	3,245	2,094	-12,464	-9,543	-	-
Segment revenues	80,348	69,915	59,687	51,166	113,888	97,590	-12,464	-9,543	241,459	209,128
EBIT	10,491	10,097	9,710	7,203	11,672	10,488	-	-	31,873	27,788
Financial income	2,923	451	9	1	110	66	-	-	3,042	518
Financial expenses	-916	-125	-144	-107	-861	-814	-	-	-1,921	-1,046
EBT	12,498	10,423	9,575	7,097	10,921	9,740	-	-	32,994	27,260
Income taxes	6,525	3,076	681	2,614	1,996	1,801	-	-	9,202	7,491
Consolidated net income	**5,973**	**7,347**	**8,894**	**4,483**	**8,925**	**7,939**	**-**	**-**	**23,792**	**19,769**
of which attributable to:										
– Shareholders of the parent company	-	-	-	-	-	-	-	-	24,031	19,347
– Non-controlling interests	-	-	-	-	-	-	-	-	-238	422
Segment assets	155,197	149,256	102,381	67,996	154,138	126,944	-	-	411,716	344,196
Segment liabilities	62,466	48,319	20,383	8,582	70,285	48,349	-	-	153,134	105,250
Investments	4,665	3,545	2,954	5,274	5,668	4,689	-	-	13,287	13,508
– Leases	1,185	1,560	1,205	3,431	1,541	2,887	-	-	3,931	7,878
– Intangible assets and property, plant and equipment	3,480	1,985	1,749	1,843	4,127	1,802	-	-	9,356	5,630
Amortisation	5,242	5,152	6,127	5,092	7,147	6,260	-	-	18,516	16,504
– Leases	1,523	1,384	1,302	1,182	2,573	2,428	-	-	5,398	4,994
– Intangible assets and property, plant and equipment	3,719	3,768	4,825	3,910	4,574	3,832	-	-	13,118	11,510

28. SHARE-BASED PAYMENT

__ Executive Board

The bonus cycles 2015-2017 and 2018-2020 included a share-based remuneration with settlement by equity instruments for the Executive Board. In the 2021-2023 bonus cycle, there is no share-based compensation for the Executive Board members.

The Executive Board members were entitled to a total of 160,000 shares of Nexus AG from the bonus cycle 2015-2017. The current fair value at granting was KEUR 788. The entitlement of the Executive Board members was deferred in 2017 to enable Nexus AG to fulfill its obligations under the current share repurchase program. In 2023, the entitlement of CEO Dr. Ingo Behrendt to 14,000 shares and Chief Sales Officer Ralf Heilig to 10,000 shares was fulfilled by issuing the shares. The exercise price was EUR 0.00. Expenses were not incurred in the reporting period.

CEO Dr. Ingo Behrendt was entitled to 20,048 shares of Nexus AG from the bonus cycle 2018-2020. The current fair value at granting was KEUR 1,022. The entitlement of the Executive Board members was deferred in 2020 to enable Nexus AG to fulfill its obligations under the current share repurchase program. In 2023, the entitlement of CEO Dr. Ingo Behrendt to 20,048 shares was fulfilled by issuing the shares. The exercise price was EUR 0.00. Expenses were not incurred in the reporting period.

__ Managers below the Executive Board level

In the management level below the Executive Board, two managers, who are employed by subsidiaries, have a share-based payment with settlement through equity instruments of Nexus AG.

The number of options granted in the 2020-2022 bonus cycle was based on the development of the NEXUS Group's consolidated EBITDA in the period from 1 January 2020 to 31 December 2022. The fair value of the options on the grant date was KEUR 413. KEUR 480 also represents the agreed upper limit. In 2023, the entitlement to 7,401 shares was fulfilled by issuing the shares. The exercise price was EUR 0.00. No expense was incurred in the reporting period.

The number of options granted in the 2023-2025 bonus cycles is based on the development of the NEXUS Group's consolidated EBITDA in the period from 1 January 2023 to 31 December 2025. Remaining with the company during the bonus cycle is required. The fair value of the options on the grant date is KEUR 200. KEUR 200 also represents the agreed upper limit. As at 31 December 2023, this corresponds to 3,436 (previous year: 7,401) options. The exercise date is four weeks after approval of the consolidated financial statements of Nexus AG as at 31 December 2025. The exercise price will be EUR 0.00. An expense of KEUR 200 was incurred in the reporting period (previous year: KEUR 93), which was recognised in personnel expenses and the capital reserve.

In addition, shares are sold irregularly during the year to executives below the Executive Board on advantageous terms (2023: 2,295 shares, previous year: 2,806 shares). Due to the insignificance for the consolidated financial statements of Nexus AG in this respect, a detailed assessment for reasons of materiality was omitted.

The total carrying amount of the share-based payment as at 31 December 2023 is KEUR 200.

__ Other employees

In 2023, employees were given the opportunity between 08/11/2023 and 15/11/2023 to acquire up to 50 shares of Nexus AG at a price of EUR 37.28 (exercise price). The shares acquired by the employees during this period (16,980) were issued in the form of repurchased shares. This program is an irregular program; a repetition is currently not planned. The difference between the exercise price and the actual price on the day of issue (EUR 52.40) was fully recognized in staff costs and in capital reserves in the amount of KEUR 287.

The following table shows the development of the share-based settlement of the Executive Board:

Reporting period 2023	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	24,000	20,048	44,048
Pending options at the start of the reporting period	24,000	20,048	44,048
Options granted during the reporting period	-	-	-
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	24,000	20,048	44,048
Weighted average share price on the day on the performance	53.46	54.73	-
Pending options at the end of the reporting period	-	-	-
Exercisable options at the end of the reporting period	-	-	-

Reporting period 2022	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	24,000	20,048	44,048
Pending options at the start of the reporting period	24,000	20,048	44,048
Options granted during the reporting period	-	-	-
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	-	-	-
Weighted average share price on the day on the performance	-	-	-
Pending options at the end of the reporting period	24,000	20,048	44,048
Exercisable options at the end of the reporting period	24,000	20,048	44,048

29. FINANCIAL INSTRUMENTS

NEXUS is active internationally in part, whereby it is subject to market risks due to changes of exchange rate. NEXUS does not believe that these risks can have a substantial influence on the revenue and financial situation of the Group.

The following notes supplement the explanations about the information about risks in Management Report.

__ Default risks

Financial instruments, which might cause a concentration of a non-payment risk for the company, are mainly bank deposits at – without exception – renowned financial institutes in Germany, Switzerland, Poland and the Netherlands as well as trade and other receivables. The bank deposits of the company are mainly in euros, zlotys and Swiss francs. The company continually monitors its investments at financial institutes, who are its contractual partners for the financial instruments, as well as their credit worthiness, and cannot detect any risk of non-fulfillment.

Trade receivables are essentially due for payment within fourteen days and do not contain any significant financing components. Default risks or risks that a contractual partner cannot fulfill his payment obligations from supplies of goods and services are controlled via use of credit lines, fulfillment of payments and other control methods within the framework of debt management (e.g., credit checks). Contract assets within the scope of IFRS 15 do not contain a significant financing component either. Therefore, the Nexus Group applies the simplified method for determining impairment of trade and other receivables and contract assets and generally determines the expected credit loss over the entire remaining term of these financial assets.

To measure expected credit losses, trade and other receivables and contract assets are combined based on an industry-specific credit distribution using a statistical estimation procedure in an impairment matrix. Default risk classifications are defined by means of qualitative and quantitative factors.

Outstanding receivables are continuously monitored locally to determine whether there are objective indications that the receivables are impaired in their creditworthiness. The expected default risks are taken into account by appropriate value adjustments. For trade rand other receivables with an insolvent counterparty, the Group does not expect significant inflows from impaired trade and other receivables. Impaired financial assets may nevertheless be subject to enforcement measures to collect overdue receivables in order to act in accordance with the Group Policy.

NEXUS Group mainly sells its products largely to healthcare institutions with high credit ratings. Due to the customer structure of the NEXUS Group, there is no significant default risk with regard to trade receivables.

For all financial assets for which IFRS 9 does not require the simplified approach, NEXUS applies the general approach under the three-level model.

The expected credit loss for bank deposits is determined on the basis of external ratings. Cash and cash equivalents are deposited with banks and financial institutions classified as investment grades within the context of the credit ratings of the Deutsche Bundesbank and the external credit rating agencies authorized in the Eurosystem. The estimated allowance for cash and cash equivalents has been calculated on the basis of expected losses within 12 months and reflects the short maturities. NEXUS assumes that its cash and cash equivalents have a low risk of default based on the external ratings of banks and financial institutions. NEXUS has used the probability of default of the external credit rating agencies authorized by the Deutsche Bundesbank and the Eurosystem to determine the expected losses for cash and cash equivalents.

The expected credit loss of all other financial assets is based on the described impairment matrix.

At each reporting date, financial assets are examined to determine whether there has been a deterioration in credit quality resulting in a change in classification. As default event (classification in level 3), receivables are considered for which an increased risk of insolvency can be assumed due to disrupted payment behavior.

The following table shows the three-level approach applied to the financial assets within the scope of IFRS 9 and compares the book values.

	Risk provision approach	Level of risk provisions	Carrying amount 31/12/2023 KEUR	Carrying amount 31/12/2022 KEUR
Trade and other receivables	lifetime-expected-credit-loss	N/A	47,031	38,154
Contract assets	lifetime-expected-credit-loss	N/A	11,128	5,362
Other Financial Assets	12-month-expected credit loss	Level 1	87,091	91,904
Bank deposits	12-month-expected credit loss	Level 1	17,434	20,019

The development of the credit risk prevention as well as the impairment losses suffered in the financial year can be found in Note 5. There were default risk provisions in the amount of KEUR 1,461 on 31/12/2023 (previous year: KEUR 1,088). Of this amount, KEUR 373 (previous year: KEUR 195) affected expenses in the fiscal year. The default risk is limited to the book value. Credit collateral does not exist.

__ Liquidity Risks

The Group strives to have sufficient means of payment and equivalents for these or have corresponding credit lines to fulfill its obligations over the coming years. In addition, the company has approved capital available in the amount of KEUR 1,578 (previous year: KEUR 1,578) for further capital increases.

The liquidity situation of the Group is continuously monitored and reported to management. There are no significant liabilities to banks in the Group. The realization of trade and other receivables is monitored by receivables management. Significant liquidity risks therefore do not exist from a Group point of view as of the reporting date.

The table below shows the effect of the cash flows not discounted from original financial payables on the liquidity position of the Group. The table compares these with the book values:

	Carrying amount	Cash flow	Cash flow	Cash flow
	31.12.2023 (previous year)	Within 1 year (previous year)	Within 1 to 5 years (previous year)	After more than 5 years (previous year)
	KEUR	KEUR	KEUR	KEUR
Contract liabilities	24,040	24,040	-	—
	(16,610)	(16,610)	-	
Trade and other payables	8,740	8,740	-	-
	(9,989)	(9,989)	-	
Miscellaneous	39,520	9,185	30,335	-
	(10,264)	(1,548)	(8,716)	
Total	**72,300**	**41,965**	**30,335**	**-**
	(36,863)	**(28,147)**	**(8,716)**	**-**

Negative values correspond to a cash inflow. Payment flows deviating significantly from this (deadlines or contributions) are not expected.

__ Currency Risks

Exchange rate risks are created by sales in CHF, NOK, GBP, PLN, USD, CAD, ZAR and SAR as well as the resultant receivables, which are subject to exchange rate fluctuations until payment. Exchange rate developments are constantly monitored to counter currency risks. Due to the short payment terms in the area of receivables, the Group does not expect any significant impact on the financial and revenue situation.

The book value based on historic purchase costs is also very close to the current time value for claims and debts, which are subject to normal trade credit conditions.

__ Conversion Risk

NEXUS invoiced approx. 25.8% of its sales outside of the euro sphere 2023 (previous year: 28.0%). We incur costs in Swiss Francs due to our operations in Switzerland, in Polish Zloty in Poland, in USD in the USA, but only slight costs in Norwegian krones, in CAD in Canada and British pounds.

As of 31/12/2023, the Group had the following holdings of PLN, USD and CHF:

31/12/2023		31/12/2022	
16211 KPLN	3736 KEUR	8547 KPLN	1826 KEUR
229 KUSD	207 KEUR	290 KUSD	272 KEUR
2664 KCHF	2877 KEUR	10681 KCHF	10847 KEUR

The following trade and other receivables in foreign currency existed as of 31/12/2023:

31/12/2023		31/12/2022	
302 KNOK	27 KEUR	1867 KNOK	177 KEUR
10779 KPLN	2484 KEUR	8842 KPLN	1889 KEUR
82 KUSD	74 KEUR	152 KUSD	143 KEUR
41 KGBP	47 KEUR	111 KGBP	125 KEUR
83 KCAD	57 KEUR	55 KCAD	38 KEUR
2 KSAR	1 KEUR	0 KSAR	0 KEUR
152 KZAR	8 KEUR	0 KZAR	0 KEUR
6169 KCHF	6662 KEUR	3549 KCHF	3604 KEUR

The following trade and other payable in foreign currency existed as of 31/12/2023:

31/12/2023		31/12/2022	
1721 KPLN	396 KEUR	1569 KPLN	335 KEUR
23 KUSD	21 KEUR	41 KUSD	38 KEUR
8 KZAR	0 KEUR	8 KZAR	0 KEUR
2285 KCHF	2468 KEUR	2051 KCHF	2083 KEUR

A hedging relation did not exist on the balance sheet cut-off date. Based on the balance sheet prices of the relevant currencies, the determination of sensitivities of a hypothetical change of the exchange rate relations was set at 10 percent respectively.

If the euro had appreciated (depreciated) in value 10% compared to the foreign currency on the balance sheet cut-off date, the Group result before taxes would have been reduced (increased) as follows:

	31/12/2023	31/12/2022
Norwegian Krone (NOK)	3 KEUR	18 KEUR
Polish Zloty (PLN)	582 KEUR	338 KEUR
US Dollar (USD)	26 KEUR	38 KEUR
British Pound (GBP)	5 KEUR	13 KEUR
Canadian Dollar (CAD)	6 KEUR	4 KEUR
Swiss Franc (CHF)	707 KEUR	1237 KEUR

__ Net Profits/Losses from Financial Instruments

The net profits and losses from financial instruments (according to valuation category) in fiscal year can be summarized as follows:

	2023
	KEUR
FVPL	-2,245
Net change in the fair value from purchase price liabilities	-1,177
Interest expense due to compounding of purchase price liabilities	-1,068
AC	4,345
Net gains/losses of the category at amortised cost	4,345
	2,100

	2022
	KEUR
FVPL	490
Net change in the fair value from purchase price liabilities	586
Interest expense due to compounding of purchase price liabilities	-96
AC	201
Net gains/losses of the category at amortised cost	201
	691

Interest income from securities is reported in other operating income. The net gains or losses of the FVPL category include income or expenses from the adjustment of the purchase price liabilities at their fair value in the amount of KEUR -1,177 (previous year: KEUR 586), which are recorded under other operating income or other operating expenses. The interest on the purchase price liabilities in the amount of KEUR -1,068 (previous year: KEUR -96) is recognized in financial expenses.

The net profits / losses of the category AC essentially contains income from interests from time deposits KEUR 2,947 (previous year: KEUR 450) and revenue adjustments for items still under clarification in value of KEUR 1,771 (previous year: KEUR 54). These are shown in the item Revenue. Changes from credit risks in the amount of KEUR -373 (previous year: KEUR -195) are shown under other operating Income.

__ Financial income and expenses from financial instruments

Financial income and expenses from financial instruments, which were not valuated with fair value as revenue, were as follows in the fiscal year 2023:

Financial income and expenses from financial instruments	2023	2022
	KEUR	KEUR
Financial income	2,947	450
Financial expenses	2	9
	2,945	**441**

The following table shows the book value according to valuation categories in line with IFRS 9 and the fair value according to classes of financial assets and financial liabilities::

As at 31/12/2023 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2023	As at 31/12/2023	FVPL	AC
Assets					
Cash in banks	At amortised cost	17,434	17,434	-	17,434
Trade receivables	At amortised cost	47,031	47,031	-	47,031
Contract assets	At amortised cost	11,128	11,128	-	11,128
Other financial assets	At amortised cost	86,355	87,091	-	86,355
		161,948	**162,684**	**-**	**161,948**
Liabilities					
Trade and other payables	At amortised cost	8,740	8,740	-	8,740
Contract liabilities	At amortised cost	24,040	24,040	-	-
Purchase price liabilities	At fair value	39,520	39,520	39,105	415
		72,300	**72,300**	**39,105**	**9,155**

As at 31/12/2022 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2022	As at 31/12/2022	FVPL	AC
Assets					
Securities	At fair value	—	—	—	—
Cash in banks	At amortised cost	20,019	20,019	-	20,019
Trade receivables	At amortised cost	38,154	38,154	-	38,154
Contract assets	At amortised cost	5,362	5,362	-	5,362
Other financial assets	At amortised cost	91,904	91,904	-	91,904
		155,439	**155,439**	**—**	**155,439**
Liabilities					
Trade and other payables	At amortised cost	9,989	9,989	-	9,989
Contract liabilities	At amortised cost	—	16,610	-	-
Purchase price liabilities	At fair value	10,264	10,264	10,264	-
		20,253	**36,863**	**10,264**	**9,989**

The individual levels in the measurement of financial instruments are defined as follows:

__ Level 1:

Measurement with (unadjusted) prices listed on active markets for similar assets and liabilities.

__ Level 2:

Measurement for the asset or liability is either directly (as price) or indirectly (derived from prices) based on observable market inputs other than Level 1 inputs.

__ Level 3:

Measurement on the basis of inputs is not based on observable market data.

The financial instruments that have been classified as FVPL are classified as follows in the Group:

				31/12/2023
	Level 1	Level 2	Level 3	Total
Purchase price liabilities	-	-	39,105	39,105

				31/12/2022
	Level 1	Level 2	Level 3	Total
Purchase price liabilities	-	-	10,264	10,264

Please refer to Note 24 for the reconciliation of financial liabilities in Level 3. The following table summarises the non-observable inputs for contingent considerations from purchase price liabilities for which fair values are measured as Level 3 instruments.

Type of insurance	Measurement method	Substantial, non-observable inputs	Relationship between substantial, non-observable inputs and the measurement at fair value
Purchase price liability	– Discounted cash flows: The measurement model takes into account the present value of the expected payments, discounted at a risk-adjusted discount rate	– Budgets with EBITDA or EBIT for the subsequent fiscal year – Updating of the budget with revenues and earnings for the respective fiscal years from the contingent consideration	The estimated fair value would increase (decrease), if: – The projected EBIT, EBITDA oder sales was higher (lower). – The risk-adjusted discount rate was lower (higher).

The calculation of the fair value of the contingent purchase price liabilities classified in Level 3 of the measurement hierarchy is based on the significant unobservable input factors listed in the table. The essential, unobservable input factors are determined as part of the budget planning for the following financial year for the respective companies. After analysing the need for adjustment of the contingent purchase price liability, the calculation is adjusted as of the balance sheet date. This takes place in close coordination between Group Accounting, the Head of Finance and the Executive Board. Where applicable, compounding effects resulting from an approximation of the maturity date are also included in the valuation.

		Profit or loss
	Increase	Decrease
	KEUR	KEUR
Projected EBIT, EBITDA or Sales (10% change)	3,304	3,532
Risk-adjusted discount rate (1% change 100 basis points)	978	978

30. RELATIONSHIPS WITH RELATED COMPANIES AND PARTIES

__ Related Companies

Nexus AG is the parent company of the Group. Further information on the Group structure, the subsidiaries and the parent company is provided in "Basis of Consolidated Financial Statements" and Note 34.

__ Related Parties

Management members in key positions solely consist of management members (Supervisory Board and Executive Board) of the Group parent company Nexus AG. In addition to their activities on the Supervisory Board, members of the Supervisory Board occasionally perform services for the Group or appoint an affiliated company to do so and invoice this work in line with customary market conditions. In 2023, the expenses for services fees in this regard amount to KEUR 239 (previous year: KEUR 151). Outstanding trade and other receivables from this in the amount of KEUR 2 (previous year: KEUR 40) were reported on the balance sheet date. In addition, Group companies provide services to Supervisory Board members and invoice them in line with customary market conditions. In 2023, the revenues from these services amounted to KEUR 91 (previous year: KEUR 105). Outstanding trade and other payables from this in the amount of KEUR 0 (previous year: KEUR 18) were reported on the balance sheet date. There are no other relationships to affiliated parties that need to be reported other than the information already reported here and in other reports.

Outstanding items at the end of the fiscal year have not been collateralised, are interest-free and will be settled through cash payment. No warranties have been concluded for receivables or payables towards affiliated companies. As at 31/12/2023, the Group has no adjusted payables towards related companies and parties, as was the case on the previous balance sheet date. The need to recognise an impairment loss is assessed annually by reviewing the financial position of the related party and the market in which it operates.

With regard to the information and remuneration of the Executive Board of Nexus AG, we refer to the following section Organs of the Group. There were outstanding trade account receivables in the amount of KEUR 0 on the balance sheet cut-off date (previous year: KEUR 0). There were outstanding trade and other payables in the amount of KEUR 0 (previous year: KEUR 0) at the end of the business year.

31. MANAGEMENT BOARD

The following individuals are members of the Supervisory Board:

+ Dr. jur. Hans-Joachim König, Singen, Chairman
+ Prof. (em.) Dr. Ulrich Krystek, Berlin, Deputy Chairman (effective until 16/05/2023)
+ Dr. Dietmar Kubis, Jena, Deputy Chairman
+ Prof. Dr. med. Felicia M. Rosenthal, Freiburg i. Br.
+ Dipl.-Betriebswirt Rolf Wöhrle, Bad Dürrheim (effective from 16/05/2023)
+ Dipl.-Inf. Juergen Rottler, Singen
+ Dipl.-Kfm. Florian Herger, Frankfurt am Main

The total remuneration paid to the Supervisory Board in 2023 amounted to KEUR 128 (previous year: KEUR 128).

The Executive Board:

+ Dr. Ingo Behrendt, Donaueschingen, Chief Executive Officer
+ Dipl.-Betriebswirt Ralf Heilig, Kreuzlingen (CH), Chief Sales Officer
+ Dipl.-Ing. Edgar Kuner, St. Georgen, Chief Development Officer

The total remuneration of the Executive Board is as follows:

	2023	2022
Salary components	KEUR	KEUR
Components not based on performance	935	935
a) Short-term benefits	863	863
b) Post-employment benefits	72	72
Components not based on performance with no long-term incentives	889	899
Performance-based components with long-term incentives	1,046	1,046
Total	**2,870**	**2,880**

32. STATEMENT PURSUANT TO ART. 161 AKTG ON THE GERMAN CORPORATE GOVERNANCE CODE

The Nexus AG Executive Board and the Supervisory Board submitted the statement required as per Art. 161 AktG and published it online at https://www.nexusag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit to ensure that it remains permanently accessible.

33. COMPANY MERGERS

Acquisition of SmartLiberty SA, Le Landeron (CH)

By acquiring more than 90% of the shares in SmartLiberty SA, in Le Landeron on 2 May 2023, NEXUS is strengthening its position in the digitization of long-term care. SmartLiberty SA is a leading provider of digital alarm and communication solutions for long-term care. The collaboration aims to accelerate the digitization of nursing homes in Europe thanks to innovative, comprehensive solutions. The company, with its 40 highly qualified employees, has launched innovative digital alerting and communication solutions on the market in recent years, which improve the safety and well-being of residents in long-term care facilities, and realized strong growth in Switzerland. KEUR 3,621 was paid in cash as preliminary basic purchase price. The final share purchase price was recognized at fair value as other financial asset with an adjustment of KEUR 1,176. In addition, a supplementary purchase price was agreed, which is based on the recoverable recurring sales of the 2027 fiscal year.

There is a put and call-option contract for the remaining 10% of shares. According to IAS 32.23, the obligation to buy shares of non-controlling partner is to be carried in the balance sheet as liability with the contingent purchase price. The future contingent purchase price payment of KEUR 6,090 represents the fair value. The purchase prices for all shares are limited to KEUR 35,707.

If the planned EBITDA and/or the recurring revenues of the 2027 financial year are not met, a reversal of provisions may be necessary in subsequent years. The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 4,112) and technology (KEUR 5,885) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from the purchase price allocation in the amount of KEUR 4,845.

The goodwill results mainly from the skills and expertise of the SmartLiberty SA workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes.

For 2023, sales with third parties from initial consolidation time, 2 May 2023, amounted to KEUR 4,118, and the contribution to the consolidated surplus was KEUR -2,144. The miscellaneous procurement costs in the amount of KEUR 58 are entered affecting the result.

If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 4,265 and the contribution to consolidated net earnings to KEUR -5,599.

Assets / Liabilities SmartLiberty SA	Fair value at the acquisition date
	KEUR
Cash assets	3
Intagible Assets	9,997
Rights of use	682
Financial assets	20
Property, plant and equipment	308
Deferred tax assets	1,312
Inventories	920
Other assets	578
Trade and other receivables	1,038
	14,858
Deferred tax liabilities	581
Pension provision	433
Other provisions	31
Other non-current liabilities	5,051
Liabilities	5,072
	11,168
Net assets at the acquisition date	3,690
Goodwill	4,845
Total acquisition costs	**8,535**
The acquisition costs are composed of the following	
Purchase price paid in cash less other financial asset	2,445
Purchase price still to be paid	6,090
Total acquisition costs	**8,535**
Cash from this acquisition developed as follows	
Purchase price paid in cash	3,621
Acquired cash	3
Inflow of cash	3,618

Acquisition of vireq Software Solutions GmbH, Brandenburg an der Havel

Acquisition of Weiss EDV GmbH, Brandenburg an der Havel

Acquisition of ViREQ eHealth GmbH, Salenstein (CH)

NEXUS has strengthened its position in laboratory communication by acquiring more than 100% of the shares in vireq Software Solutions GmbH in Brandenburg, 4.8% of the shares in Weit EDV GmbH in Brandenburg and 84.85% of the shares in VIREQ eHealth GmbH in Salenstein (CH) on 25 July 2023. The three companies, with a total of 79 highly qualified employees, specialize in digital networking in the healthcare sector. The companies' clinical communications solutions enable data exchange between hospitals, doctors and laboratory information systems ("digital laboratory") from commissioning to the examination findings – even on the go. Various specialist departments in hospitals, externally integrated institutions and established doctors can thus easily access treatment data. This makes it possible to organize clinical processes more efficiently while increasing quality and patient safety. The collaboration aims to provide new innovations in the field of laboratory communication.

The transaction was completed and the conditions precedent were fully satisfied on 22 August 2023, . KEUR 14,247 was paid in cash as basic purchase price. There is a put and call option agreement for the remaining 95.2% of Weiss EDV GmbH, Brandenburg an der Havel. According to IAS 32.23, the obligation to buy shares of non-controlling partner is to be carried in the balance sheet as liability with the contingent purchase price. The future contingent purchase price payment of KEUR 15,192 represents the fair value. The purchase price is unlimited. Amortization to income may be necessary in subsequent years at failure to achieve the planned EBIT. On 19 December 2023, the remaining 15.15% of the ordinary shares in ViREQ eHealth GmbH, Salenstein (CH), were paid as the basic purchase price in the amount of KEUR 15 in cash.

The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 4,119) and technology (KEUR 9,744) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from the purchase price allocation in the amount of KEUR 14,887. The goodwill results mainly from the skills and expertise of the workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes.

For 2023, sales with third parties from initial consolidation time, 22 August 2023, amounted to KEUR 3,468, and the contribution to the consolidated surplus was KEUR 424. The miscellaneous procurement costs in the amount of KEUR 102 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 10,041 and the contribution to consolidated net earnings to KEUR 1,066.

The acquired assets and liabilities of vireq Software Solutions GmbH, in Brandenburg, der Weit EDV GmbH, in Brandenburg and VIREQ eHealth GmbH in Salenstein (CH) were recognized in the balance sheet at fair values and are as follows:

Assets / Liabilities vireq software solutions GmbH, Weist EDV GmbH, VIREQ eHealth GmbH	Fair value at the acquisition date
	KEUR
Cash assets	1,643
Intagible Assets	13,863
Rights of use	98
Property, plant and equipment	109
Inventories	32
Other assets	302
Trade and other receivables	1,521
	17,568
Deferred tax liabilities	1,020
Liabilities	1,981
	3,001
Net assets at the acquisition date	14,567
Goodwill	14,887
Total acquisition costs	**29,454**

The acquisition costs are composed of the following	
Purchase price paid	14,262
Purchase price still to be paid	15,192
Total acquisition costs	**29,454**

Cash from this acquisition developed as follows	
Purchase price paid in cash	14,262
Acquired cash	1,643
Inflow of cash	12,619

Micro acqusitions

Nexus completed several smaller acquisitions (micro-acquisitions) in the past fiscal year. The purchase prices paid for this in cash amounted to KEUR 2,558. Call and put option contracts in the amount of KEUR 5,503 exist for purchase prices still to be paid for the remaining shares. According to IAS 32.23, the obligation to buy shares of non-controlling partner is to be carried in the balance sheet as liability with the expected purchase price. The future, expected purchase price liabilities of KEUR 5,503 represents the fair value. An adjustment to income may be necessary in subsequent periods at failure to achieve the set goals.

The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 2,920) and technology (KEUR 2,761) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from den purchase price allocation in the amount of KEUR 4,307. The goodwill results mainly from the skills and expertise of the workforce and the expected synergies from the integration of the companies into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes.

For 2023, sales with third parties from the consolidation time amounted to TEUR 3,086, and the contribution to the consolidated surplus was TEUR -441. The miscellaneous procurement costs in the amount of KEUR 69 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 5,079 and the contribution to consolidated net earnings to KEUR -770. The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities Microaquistions	Fair value at the acquisition date
Microaquistions	KEUR
Cash assets	1,018
Intagible Assets	5,704
Rights of use	289
Property, plant and equipment	39
Inventories	201
Other assets	895
Deferred tax assets	1
Trade and other receivables	908
	9,055
Deferred tax liabilities	1,675
Tax provisions	15
Other provisions	29
Liabilities	3,582
	5,301
Net assets at the acquisition date	3,754
Goodwill	4,307
Total acquisition costs	**8,061**
The acquisition costs are composed of the following	
Purchase price paid in cash	2,558
Purchase price still to be paid	5,503
Total acquisition costs	**8,061**
Cash from this acquisition developed as follows	
Purchase price paid in cash	2,558
Acquired cash	1,018
Inflow of cash	1,540

The following table shows the expected future purchase price payments as of 31 December 2023 and 31 December 2022 as well as at the acquisition date. Regarding the changes affecting earnings in fiscal 2023 and 2022, we refer to Note 24 Liabilities.

Company	expected future purchase price payments 31/12/2023	expected future purchase price payments 31/12/2022	Expected future purchase price payment at the time of acquisition
	KEUR	KEUR	KEUR
Weist EDV GmbH	15,451	-	15,192
SmartLiberty SA	6,748	-	6,090
MARIS Healthcare GmbH	3,686	-	3,563
ITR Software GmbH	2,139	1,565	989
GePaDo - Softwarelösungen für Genetik - GmbH	1,879	1,942	1,942
NEXUS / SCHAUF GmbH	1,816	-	1,781
oneICT AG	1,318	899	956
highsystem ag	1,298	1,197	639
RVC Medical IT Holding B.V.	1,196	1,387	1,464
ANT-Informatik AG	1,169	1,068	1,187
IFMS GmbH	763	402	402
NEXUS / CHILI GmbH	650	-	650
aus Asset Deals	391	370	403
Sophrona Solutions Inc.	362	1,010	872
arkandus GmbH	159	-	159
HeimSoft Solution AG	80	73	69
osoTec GmbH	-	351	645
Total	**39,105**	**10,264**	**37,003**

34. LIST OF CONSOLIDATED SUBSIDIARIES

List of consolidated subsidiaries		31/12/2023	31/12/2022
Full consolidation	Country	Capital share in %	
ANT-Informatik AG, Zurich [1]	Switzerland	100.00	100.00
ANT-Informatik GmbH, Siegburg [2]	Germany	100.00	100.00
arkandus GmbH, Peißenberg [3]	Germany	100.00	-
Creativ Software AG, Widnau [4]	Switzerland	100.00	100.00
GePaDo - Softwarelösungen für Genetik - GmbH, Dresden [5]	Germany	100.00	100.00
HeimSoft Solutions AG, Zollikofen [4]	Switzerland	100.00	100.00
highsystem ag, Zurich [6]	Switzerland	95.00	95.00
ifa systems AG, Frechen	Germany	52.56	52.56
ifa united i-tech Inc., Fort Lauderdale [7]	USA	100.00	100.00
ifa-systems informationssysteme für augenärzte GmbH, Vienna [7]	Austria	100.00	100.00
IFMS GmbH, Saarbrücken [8]	Germany	100.00	100.00
ITR Software GmbH, Lindenberg im Allgäu [5]	Germany	100.00	100.00
LPC Laboratory Process Consulting GmbH, Dresden [9]	Germany	100.00	100.00
MARIS Healthcare GmbH, Illingen [10]	Germany	100.00	-
NEXUS / ASTRAIA GmbH, Ismaning [11]	Germany	100.00	100.00
NEXUS / CHILI GmbH, Dossenheim [12]	Germany	100.00	83.73
NEXUS / CLOUD IT GmbH, Donaueschingen [11]	Germany	100.00	100.00
NEXUS / DIGITAL PATHOLOGY GmbH, Donaueschingen [11]	Germany	100.00	100.00
NEXUS / DIS GmbH, Frankfurt am Main [11]	Germany	100.00	100.00
NEXUS / E&L GmbH, Nuermberg [11]	Germany	100.00	100.00
NEXUS / ENTERPRISE SOLUTIONS GmbH, Donaueschingen	Germany	100.00	100.00
NEXUS / IPS GmbH, Donaueschingen [11]	Germany	100.00	100.00
NEXUS / MARABU GmbH, Berlin [11]	Germany	100.00	100.00
NEXUS / Österreich GmbH, Vienna (formerly: NEXUS Digitale Dokumentationssysteme Projektentwicklungs.m.b.H) [13]	Austria	100.00	100.00
NEXUS / QM GmbH, Singen Hohentwiel [11]	Germany	100.00	100.00
NEXUS / REHA GmbH, Donaueschingen [11]	Germany	100.00	100.00
NEXUS / SCHAUF GmbH, Langenfeld [14]	Germany	100.00	-
Nexus Deutschland GmbH, Donaueschingen [11]	Germany	100.00	100.00
Nexus Enterprise Imaging GmbH, Freiburg im Breisgau [15]	Germany	100.00	100.00
NEXUS Nederland B.V., Vianen	Netherlands	100.00	100.00
NEXUS POLSKA Sp. z o.o., Posen	Poland	100.00	100.00
NEXUS Schweiz AG, Schenkon	Switzerland	100.00	100.00

List of consolidated subsidiaries		31/12/2023	31/12/2022
Full consolidation	Country	Capital share in %	
NEXUS SISINF SL, Sabadell	Switzerland	100.00	100.00
NEXUS SWISSLAB GmbH, Berlin [11]	Germany	100.00	100.00
Nexus/France S.A.S. Grenoble	France	100.00	100.00
oneICT AG, Wallisellen [16]	Switzerland	100.00	100.00
osoTec GmbH, Schenkon [17]	Switzerland	100.00	100.00
RVC Medical IT B.V., Amersfoort [15]	Netherlands	100.00	100.00
RVC Medical IT Holding B.V., Amersfoort [18]	Netherlands	100.00	100.00
RVC Medical IT N.V., Antwerp [15]	Belgium	100.00	100.00
SmartLiberty SA, Le Landeron [19]	Switzerland	100.00	-
Sophrona Solutions Inc., St Paul [20]	USA	100.00	100.00
VIREQ eHealth GmbH, Salenstein [21]	Switzerland	100.00	-
vireq software solutions GmbH, Brandenburg an der Havel [22]	Germany	100.00	-
Weist EDV GmbH, Brandenburg an der Havel [23]	Germany	100.00	-
Zwicky Electronic AG, Bottighofen [24]	Switzerland	-	100.00

[1] The shares are held indirectly via NEXUS Schweiz AG. The shareholding under company law is only 63.92 %. There is an option agreement for the remaining 36.08 % of the shares.
[2] The shares are held indirectly by ANT-Informatik AG.
[3] ifa systems AG aquired 100% of the shares in arkandus GmbH on 08/03/2023
[4] The shares are held indirectly by NEXUS Schweiz AG
[5] Share under compnay law is only 51%. There is an option agreement for the remaining 49% of the shares.
[6] The shares are held indirectly via NEXUS Schweiz AG Share under company law is only 80%. There is an option agreement for another 15% of the shares.
[7] The shares are held indirectly by ifa systems AG.
[8] Share under company law is only 70%. There is an option agreement for the remaining 30% of the shares.
[9] The shares are held indirectly by GePaDo – Softwarelösung für Genetik – GmbH.
[10] Nexus AG purchased 51% of the shares in MARIS Healthcare GmbH, on 10/07/2023. The remaining 49% of shares are governed by an option agreement.
[11] Use of the exemption rule pursuant to Art. 264(3) HGB.
[12] Nexus AG acquired the remaining 16.27 % of the shares in NEXUS / CHILI GmbH on 29/11/2023.
[13] NEXUS Digitiale Dokumentationssysteme Projektentwicklungs.m.b.H. was renamed NEXUS / Österreich GmbH on 15/03/2023.
[14] Nexus AG acquired 75% of the shares in Schauf QX GmbH on 20/04/2023. There is an option agreement for the remaining 25% of the shares. Schauf QX GmbH was renamed NEXUS / SCHAUF GmbH on 20/04/2023.
[15] The shares are held indirectly by RVC Medical IT Holding B.V.
[16] The shares are held indirectly via NEXUS Schweiz AG. The shareholding under company law is only 60 %. There is an option agreement for the remaining 40 % of the shares.
[17] On 12/6/2023, NEXUS Schweiz AG acquired the remaining 20 % of the shares in the subsidiary osoTec AG from the existing option agreement
[18] Nexus AG purchased a further 1.36% share in RVC Medical IT Holding B.V. on 12/05/2023. There is an option agreement for the remaining 5.99% of the shares.
[19] NEXUS Schweiz AG purchased 90% of the shares in SmartLiberty SA on 02/05/2023. There is an option agreement for the remaining 10% of the shares.
[20] The shares are held indirectly by ifa united i-tech Inc. The stake subject to corporate law is only 80%. The remaining 20% of shares are governed by an option agreement.
[21] Nexus AG acquired 84.85% of the shares in VIREQ eHealth GmbH on 22/08/2023. The remaining 15.15 % of the shares were acquired on 19/12/2023.
[22] Nexus AG acquired 100% of the shares in vireq software solutions GmbH on 22/8/2023.
[23] Nexus AG acquired 4.8% of the shares in Weist EDV GmbH on 22 August 2023. There is an option agreement for the remaining 95.2 % of the shares.
[24] Zwicky Electronic AG was merged with NEXUS Schweiz AG on 01/01/2023.

35. EVENTS AFTER THE BALANCE SHEET DATE

Reportable events after the balance sheet date did not take place.

Donaueschingen 01/03/2024

Nexus AG
The Executive Board

13 __ Statement from the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the earnings, financial and net assets position 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.

Donaueschingen, 01/03/2024

Nexus AG

The Executive Board

14 __ Audit Certificate of the Independent Auditor

To Nexus AG, Donaueschingen

Note on the audit of the Consolidated Financial Statement and the Group Management Report

Audit Opinion

We have audited the Consolidated Financial Statement of Nexus AG, Donaueschingen and its subsidiaries (the Group) consisting of the Consolidated Financial Statement as of 31 December 2023, the consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2023 as well as the notes to the Consolidated Financial Statement, including a summary of significant accounting methods. In addition, we audited the Group Management Report of Nexus AG, Donaueschingen, for the fiscal year from 1 January to 31 December 2023. We did not review the content of the separate non-financial Group report published on the company's website and the (Group) Corporate Governance Statement published on the company's website, to which reference is made in each case in the Group Management Report in section “Separate Non-Financial Group Report” or “(Group) Corporate Governance Statement and Compliance Statement” in accordance with German legal requirements.

In our opinion and based on the findings of our audit:

+ The attached consolidated financial statements comply in all essential aspects with IFRS to be applied in the EU and the additional requirements of § 315e para. 1 of the German Commercial Code (HGB). Under compliance with these regulations, the consolidated financial statements give a true and fair view of the assets and financial position of the Group as of 31 December 2023 as well as its financial performance for the fiscal year from 1 January to 31 December 2023.

+ The attached group management report as a whole conveys a true picture of the situation of the Group. In all essential aspects, this Group Management Report is consistent with the Consolidated Financial Statement, complies with legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the Group Report does not extend to the above-mentioned non-substantively audited components of the Group Report.

In accordance with § 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not resulted in any objections to the regularity of the Consolidated Financial Statement and the Group Management Report.

Basis for the Audit Report

We conducted our audit of the Consolidated Financial Statement and the Group Management Report in accordance with § 317 of the German Commercial Code (HGB) and the EU Auditors' Regulation (No. 537/2014; hereinafter referred to as "EU-APrVO") in compliance with the generally accepted standards in Germany for the audit of financial statements promulgated by the Institute of Auditors (IDW). Our responsibility in accordance with these regulations and principles is described in more detail in the section "Responsibility of the auditor for the audit of the Consolidated Financial Statement and the Group Management Report" of our audit certificate. We are independent of the Group companies in accordance with European and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Article 10 (2 letter f of the EU-APrVO, we declare that we have not provided any prohibited non-audit services in accordance with Article 5 (1) of the EU-APrVO. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide the basis for our audit report of the Consolidated Financial Statement and the Group Management Report.

Particularly important audit issues in the audit of the Consolidated Financial Statement

Particularly important audit issues are those matters that we consider to be the most significant in our audit of the Consolidated Financial Statement for the fiscal year from 1 January until 31 December 2023. These matters were taken into account in connection with our audit of the Consolidated Financial Statement as a whole and in the preparation of our opinion thereon; we do not express a separate opinion on these matters.

In the following, we present the audit issues that we consider to be particularly important:

1) Credit quality of goodwill

2) Recognition of revenue

3) Acquisitions of the Vireq companies

Concerning 1) Credit quality of goodwill

a) The risk for the Consolidated Financial Statement

In the Consolidated Financial Statement of Nexus AG, Donaueschingen, a total goodwill of EUR 135,6 million is reported under the balance sheet item "Goodwill“. This corresponds to 32.9% of the consolidated balance sheet total. Goodwill is subject to an impairment test by the company on the balance sheet cut-off date of the respective fiscal year.

The annual impairment test for goodwill is based on a discounted cash flow valuation model at the lowest level of cash-generating units. If the book value of goodwill exceeds the recoverable amount of the respective cash-generating unit, a devaluation requirement arises. For explanations of goodwill and impairment testing, please refer to the subsection in the “4. Significant Discretionary Decisions, Estimates and Assumptions” in the section entitled “Basis of Consolidated Financial Statement”, in the sections “11. Goodwill”, “12. Other Intangible Assets” and “33. Business combinations” of the Notes to the Consolidated Financial Statement and to the section entitled “Presentation of Assets, Financial Position and Results of Operations” in the Group Management Report.

The determination based on the discounted cash flow method is complex and the outcome of this valuation is highly dependent on the legal representatives' assessment of future cash inflows from the expected business and earnings development of the cash-generating units during the planning period and on the determination of the discount rate used.

Against this background, there is a risk for the Consolidated Financial Statement that an impairment loss existing at the balance sheet cut-off date is not recognized. Consequently, we consider this situation to be of particular importance in the context of our audit.

b) Audit procedure and conclusions

To assess the appropriateness of the planning assumptions, we gained an understanding of the planning process and existing, relevant controls during discussions with legal representatives and the planning managers. We compared the planned values used in the impairment test with the corporate planning prepared by the legal representatives and approved by the Supervisory Board.

The reliability of business planning was assessed based on a retrospective plan/actual comparison between the plan figures on which the previous year's valuation was based and the actual course of business in the 2023 fiscal year. Insofar as significant deviations were noted, these were discussed with the employees responsible at Nexus AG, Donaueschingen, regarding their relevance for the present financial Consolidated Financial Statement.

We assessed the company's calculation method and the key parameters used, including, but not limited to, the Weighted Average Cost of Capital, the market risk premium, the beta factor and the growth discount, for appropriateness with participation of our valuation specialists.

To ensure that the valuation model used is correct, we have reproduced the company's calculations on the basis of risk-oriented, selected elements.

We also verified whether the book value of the respective cash-generating unit was properly determined based on the assets and liabilities to be taken into account on the valuation cut-off date.

We have examined the sensitivity analyses carried out by the company for the cash-generating units, which include a change in the discount rate and cash inflows, in terms of their meaningfulness and checked the mathematical correctness.

We consider the calculation method of Nexus AG, Donaueschingen, for carrying out impairment tests to be appropriate to determine a potentially necessary devaluation requirement. Overall, the valuation parameters and assumptions applied appear comprehensible and appropriate and are in line with our expectations.

Concerning 2) Recognition of revenue

a) The risk for the Consolidated Financial Statement

In the Consolidated Financial Statement of Nexus AG, Donaueschingen, four revenue streams can be identified: Revenues from hardware, software licenses, hardware and software maintenance as well as services. Revenues from hardware and software maintenance are downstream of the other revenue streams. Revenues from hardware, software licenses and services essentially occur jointly within the framework of multi-component contracts. Thus, the sales can also be divided into revenues by multi-component contracts or one-component contracts. For the explanations regarding the Nexus Group's revenue recognition, please refer to the subsection "_Revenue recognition" in the section "5_Essential Accounting and Valuation Methods" and to the section "1. Revenue" in the Notes to the Consolidated Financial Statements.

In accordance with IFRS 15, performance obligations must be identified for contracts with customers. In this case, we distinguish between separate and bundled performance obligations. In particular, in the case of bundled performance obligations that are fulfilled over a certain period of time, sales revenues are generally to be recorded according to the percentage-of-completion (PoC) method. This also corresponds to the approach of the Nexus Group.

Since the provisions of IFRS 15 are complex in terms of contracts with customers and additionally there is considerable discretion in the identification of performance obligations as well as PoC accounting, these aspects were of particular importance in our view in the context of the audit.

The risk to the consolidated financial statements therefore consists, on the one hand, in the potentially erroneous identification of performance obligations and, on the other hand, in a possibly erroneous revenue recognition.

b) Audit procedure and conclusions

The attached Consolidated Financial Statements comply in all essential aspects with IFRS to be applied in the EU and the additional requirements of Subsection 315e (1) of the German Commercial Code (HGB). Under compliance with these regulations, the Consolidated Financial Statements give a true and fair view of the assets and financial position of the Group as of December 31. 2023 as well as its financial performance for the fiscal year from January 1, 2023 to December 31, 2023. In all essential aspects, this Group Management Report is consistent with the Consolidated Financial Statement, complies with legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the Group Report does not extend to the above-mentioned non-substantively audited components of the Group Report.

Concerning 3) Acquisition of Vireq companies

a) The risk for the Consolidated Financial Statement

In the 2023 financial year, Nexus AG, Donaueschingen, acquired control of vireq Software Solutions GmbH, Brandenburg an der Havel, Weit EDV GmbH, Brandenburg an der Havel, and ViREQ eHealth GmbH, Salenstein, Switzerland, by acquiring shares and entering into a call-put option.

The consideration transferred amounts to EUR 29.5 million, the value of the determined goodwill amounts to EUR 14.9 million and the value of the uncovered hidden reserves amounts to a total of EUR 13.9 million.

As part of the purchase price allocation, the acquired assets and liabilities are to be identified and measured on the basis of discretionary assumptions.

With regard to the explanations regarding the newly acquired company in the reporting year, we refer to the explanations in the notes to the Consolidated Financial Statement under section “33 Business combinations" and in the Group Management Report under section "Business model" and "Presentation of the net assets, financial position and results of operations".

In view of the complexity of the underlying contractual regulations and the estimation leeway, there is a risk for the financial statements that the assets acquired and the liabilities assumed will not be properly identified and appropriately valued. This applies correspondingly to the residual amount of goodwill resulting from the purchase price allocation. In this respect, the acquisition of shares in the above-mentioned companies is of particular importance in the context of our audit.

b) Audit procedure and conclusions

As part of our audit, we dealt with the provisions of the underlying share purchase and assignment agreement as well as the call put option. We assessed the valuation model of Nexus AG for the complete and proper identification and valuation of the acquired assets and assumed liabilities. The concept (valuation models and parameters) for determining the fair values of the identified assets and liabilities was assessed with participation of our internal specialists.

Having assessed the concept as appropriate, we have assessed whether the identification and measurement of the assets and liabilities acquired, as well as the determination of goodwill, has been carried out in accordance with the requirements for business combinations in accordance with IFRS 3.

The technology and customer relationships were identified within the context of the purchase price allocation. We have verified the assumptions regarding the existence of customer relationships and technology based on contract documents, other documents submitted as well as through discussions with legal representatives and the employees of Nexus AG responsible for the creation of the purchase price allocations.

We then checked whether the values determined on this basis were appropriately reflected in the consolidated balance sheet and whether the required information was included in the notes to the Consolidated Financial Statement.

We believe that the concept of Nexus AG for identifying and evaluating the acquired assets and assumed liabilities as well as for determining goodwill is suitable to enable a proper presentation in the Consolidated Financial Statement. The assumptions used by the company are reasonable.

Other Information

The legal representatives or the Supervisory board are responsible for other information. Other information includes:

+ The separate non-financial (Group) report to be published on the Group's website, referred to in the "Separate Non-Financial Group Report“ section of the Group Management Report
+ The (Group) corporate governance statement published on the Company's website, to which reference is made in the consolidated report in section “(Group) Corporate Governance Statement and Compliance Statement”
+ The Report of the Supervisory Board,
+ The other parts of the published annual report, but not the Consolidated Financial Statement, not the Group Management Report information included in the substantive audit and not our accompanying audit certificate
+ The affirmation pursuant to § 297 (2) sentence 4 of the German Commercial Code (HGB) for the Consolidated Financial Statement and the affirmation pursuant to § 315 (1) sentence 5 of the German Commercial Code (HGB) for the Group Management Report

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, to which reference is made in the Group Management Report in the section "(Group) Declaration on Corporate Governance and Declaration of Conformity". The legal representatives are responsible for other information.

Our opinions on the Consolidated Financial Statement and the Group Management Report do not extend to the other information and we accordingly do not express an opinion or any other form of audit conclusion on them.

In connection with our audit of the Consolidated Financial Statement, it is our responsibility to read the other information and assess whether the other information:

+ Shows significant discrepancies to the Consolidated Financial Statement, the Group Management Report or to our knowledge obtained during the audit
+ Otherwise appears significantly misrepresented

If, on the basis of the work we have carried out, we conclude that there is a material misrepresentation of this other information, we are obliged to report this fact. We have nothing to report in this context.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statement and the Group Management Report

The legal representatives are responsible for the preparation and fair presentation of the Consolidated Financial Statement in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) of the German Commercial Code (HGB) in all essential respects and for ensuring that the Consolidated Financial Statement give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. In addition, the legal representatives are responsible for the internal controls that they consider necessary to enable the preparation of financial statements that are free from essential misstatements due to fraudulent material misstatement (i.e., manipulation of the accounts and asset misappropriation) or errors

In preparing the Consolidated Financial Statement, the legal representatives are responsible for assessing the Group's ability to continue its business activities. Furthermore, they have the responsibility to disclose matters relating to the continuation of business activities if relevant. In addition, they are responsible for accounting on the basis of the accounting policy of continuing operations unless there is an intention to liquidate the Group or discontinue operations or there is no realistic alternative.

The legal representatives are also responsible for the preparation of the Group Management Report, which as a whole provides a suitable view of the Group's position and is consistent with the Consolidated Financial Statement in all essential respects, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are also responsible for the precautions and measures (systems) that they deem necessary to enable the preparation of a Group Management Report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements in the Group Management Report.

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the Consolidated Financial Statement and the Group Management Report.

Responsibility of the auditor for the audit of the Consolidated Financial Statement and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statement as a whole is free of essential misstatements due to fraud or errors and whether the Group Management Report as a whole provides a suitable view of the Group's position and is consistent in all essential respects with the Consolidated Financial Statement and with the findings of the audit, complies with the German legal requirements and suitably presents the opportunities and risks of future development as well as to issue an audit certificate that includes our audit opinions on the Consolidated Financial Statement and the Group Management Report.

Sufficient security is a high degree of security, but there is no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB) and the EU-APrVO in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Auditors (IDW) will always reveal an essential misstatement. Misstatements may result from fraud or errors and are deemed to be essential if they can reasonably be expected to affect the economic decisions individually or collectively based on these annual financial statements.

During the audit, we exercise due discretion and maintain a critical attitude. In addition:

+ We identify and assess the essential false misstatements in the Consolidated Financial Statement and the Group Management Report due to fraudulent acts or errors, and we plan audit procedures in response to these risks as well as obtain audit evidence that serves as a sufficient and appropriate basis for our audit opinion. The risk that material misrepresentations resulting from fraudulent acts will not be revealed is higher than the risk that material misrepresentations resulting from errors will not be revealed, since fraudulent acts may involve collusive interaction, forgery, intentional incompleteness, misrepresentations or the elimination of internal controls.

+ We gain an understanding from the relevant internal control system and relevant precautions and measures audit procedures to plan audit procedures for auditing the Group Management Report that are appropriate under the specific circumstances, but not with the objective of issuing an opinion on the effectiveness of the company's internal control system.

+ We assess the appropriateness of the accounting methods used by the legal representatives as well as the justifiability of the estimated values shown by the legal representatives and related information.

+ We assess the appropriateness of the legal representatives' use of accounting principles of continue operations as well as—based on the audit evidence obtained—whether essential uncertainty exists in connection with events or circumstances that may cast significant doubt on the Group's capacity to continue business operations. If we conclude that material uncertainty exists, we are required to draw attention in our audit certificate to the related information in the Consolidated Financial Statement and the Group Management Report or, if such information is inappropriate, to modify our audit opinion. We have drawn our conclusions based on the audit evidence obtained by the date of our audit certificate. However, future events or conditions may result in the Group no longer being able to continue its business.

+ We assess the presentation, the structure and content of the Consolidated Financial Statement overall including the disclosures and whether the Consolidated Financial Statement presents the underlying transactions and events in such a way that the Consolidated Financial Statement gives a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e para. 1 of German Commercial Code (HGB).

+ We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group to give our opinion on the Consolidated Financial Statement and the Group Management Report. We are responsible for the guidance, supervision and conduct of the audit of the Consolidated Financial Statement. We bear sole responsibility for our audit opinions.

+ We assess the conformity of the group management report with the consolidated financial statements, its compliance with legal provisions, and the picture presented by it of the Group situation.

+ We perform audit procedures on the forward-looking statements contained in the Group Management Report as presented by the legal representatives. Based on sufficient and suitable audit evidence, we perform our audit in particular on the basis of the significant assumptions, on which the forward-looking statements by the legal representatives are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant, unavoidable risk that future events will essentially differ from the forward-looking statements.

We discuss with those responsible for monitoring, including the scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We make a statement to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relationships and other matters reasonably likely to affect our independence and – insofar as relevant – those actions or protective measure taken for eliminating dangers to independence.

On the basis of the matters we discussed with those responsible for monitoring, we determine those matters that were most significant in the audit of the Consolidated Financial Statement for the current reporting period and consequently are the most important audit issues. We describe these matters in the audit certificate unless laws or other legal provisions exclude the disclosure of the facts.

Miscellaneous statutory and other legal requirements

Note on the audit of the electronic reproductions of the Consolidated Financial Statement and the Group Management Report prepared for the purposes of disclosure pursuant to § 317 (3a) of the German Commercial Code (HGB)

Auditor’ Report

Pursuant to § 317 (3a) of the German Commercial Code (HGB), we have carried out an audit with sufficient certainty as to whether the presentations of the Consolidated Financial Statement and the Group Management Report (hereinafter also referred to as "ESEF documents") contained in the file "nexusag-2023-12-31.zip" and prepared for the purpose of disclosure comply in all material respects with the requirements of § 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format"). In accordance with German legal regulations, this audit only covers the conversion of the information in the Consolidated Financial Statement and the combined Group Management Report into the ESEF format and therefore covers neither the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the presentations of the Consolidated Financial Statement and the Group Management Report contained in the above-mentioned file and prepared for the purposes of disclosure comply in all material respects with the requirements of § 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. Apart from this audit opinion and our audit opinions on the attached Consolidated Financial Statement and the Group Management Report for the fiscal year from 1 January to 31 December 2023 contained in the preceding “Note on the audit of the “Consolidated Financial Statement and the Group Management Report ”, we do not give any audit opinion on the information contained in these reproductions of the reports or on the other information contained in the aforementioned file.

Basis for the Audit Report

We have carried out our audit of the reproductions of the Consolidated Financial Statement and the Group Management Report contained in the above-mentioned file in accordance with § 317 (3a) of the German Commercial Code (HGB) in compliance with the IDW auditing standard: Auditing of electronic reproductions of Consolidated Financial Statement and the Group Management Report created for disclosure purposes in accordance with § 317 para 3b HGB (IDW EPS 410[06/2022]). Our responsibility thereafter is further described in the section “Auditor's Responsibility for the Examination of the ESEF Documents”. Our auditing firm has applied the IDW quality assurance standard requirements regarding the quality assurance system: Requirements regarding quality assurance in auditing practices (IDW QS 1 [09/2022]).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of company are responsible for the preparation of the ESEF documents with the electronic copies of the Consolidated Financial Statement and the Group Management Report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the presentation of the Consolidated Financial Statements in accordance with § 328 (1) sentence 4 no. 2 of the German Commercial Code (HGB).

In addition, the legal representatives are of company are responsible for any in-house controls that they consider necessary to enable the creation of ESEF documents that are free of material violations – intended or unintentional – of the requirements of § 328 para 1 of the German Commercial Code (HGB) with regard to the electronic report format.

The Supervisory Board is responsible for overseeing the preparation process of the ESEF records as part of the financial reporting process.

Auditor's responsibility for checking ESEF records

Our objective is to obtain sufficient certainty as to whether the ESEF documents are free of significant violations – whether intended or unintentional – of the requirements of § 328 (1) of the German Commercial Code (HGB). During the audit, we exercise due discretion and maintain a critical attitude. In addition:

+ We identify and assess the risks of essential violations – whether intentional or unintentional – requirements of § 328 (1) of the German Commercial Code (HGB), plan audit procedures in response to these risks, and perform audits that serve as a sufficient and appropriate basis for our audit opinion.

+ We gain an understanding of the internal controls relevant to the audit of the ESEF documents to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.

+ We assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version applicable on the reporting date, regarding the technical specifications for this file.

+ We assess whether the ESEF documents enable an identical XHTML presentation of the audited Consolidated Financial Statement and the audited Group Management Report.

+ We assess whether the presentation of the ESEF documents enables an adequate and complete machine-readable XBRL copy of the XHTML reproduction with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 effective on the reporting date,.

Other information in accordance with Article 10 EU-APrVO

We were appointed as auditors of the Consolidated Financial Statements by the Annual General Meeting on 16 May 2023. We were of Nexus AG, Donaueschingen, commissioned by the Chairperson of the Audit Committee of the Supervisory Board on 2 August 2023. We have been working uninterruptedly as auditors of the Consolidated Financial Statements of Nexus AG, Donaueschingen since the 2018 fiscal year.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU-APRVO (Audit Report).

Other facts – Use of the audit certificate

Our audit certificate must always be read in connection with the audited Consolidated Financial Statement and the audited Group Management Report as well as the audited ESEF documents. The Consolidated Financial Statement and the Group Management Report – also the versions to be entered in the company register – that have been converted into the ESEF format are only electronic copies of the audited Consolidated Financial Statement and the audited Group Management Report and do not replace them. In particular, the ESEF Note and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible Auditor

The auditor responsible for the audit is Mr. Max Waiz.

Stuttgart, 01/03/2024

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Fuat Kalkan	Max Waiz
Auditor	Auditor

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Publisher

Nexus AG
Irmastraße 1
78166 Donaueschingen
Germany
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Fax: +49 771 22960-226

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Caro Hoene
Achim Müller
Anna Jiménez Roig

This Annual Report is also available in German. Both language versions are available on the internet at: www.nexus-ag.de – Company – Investor Relations