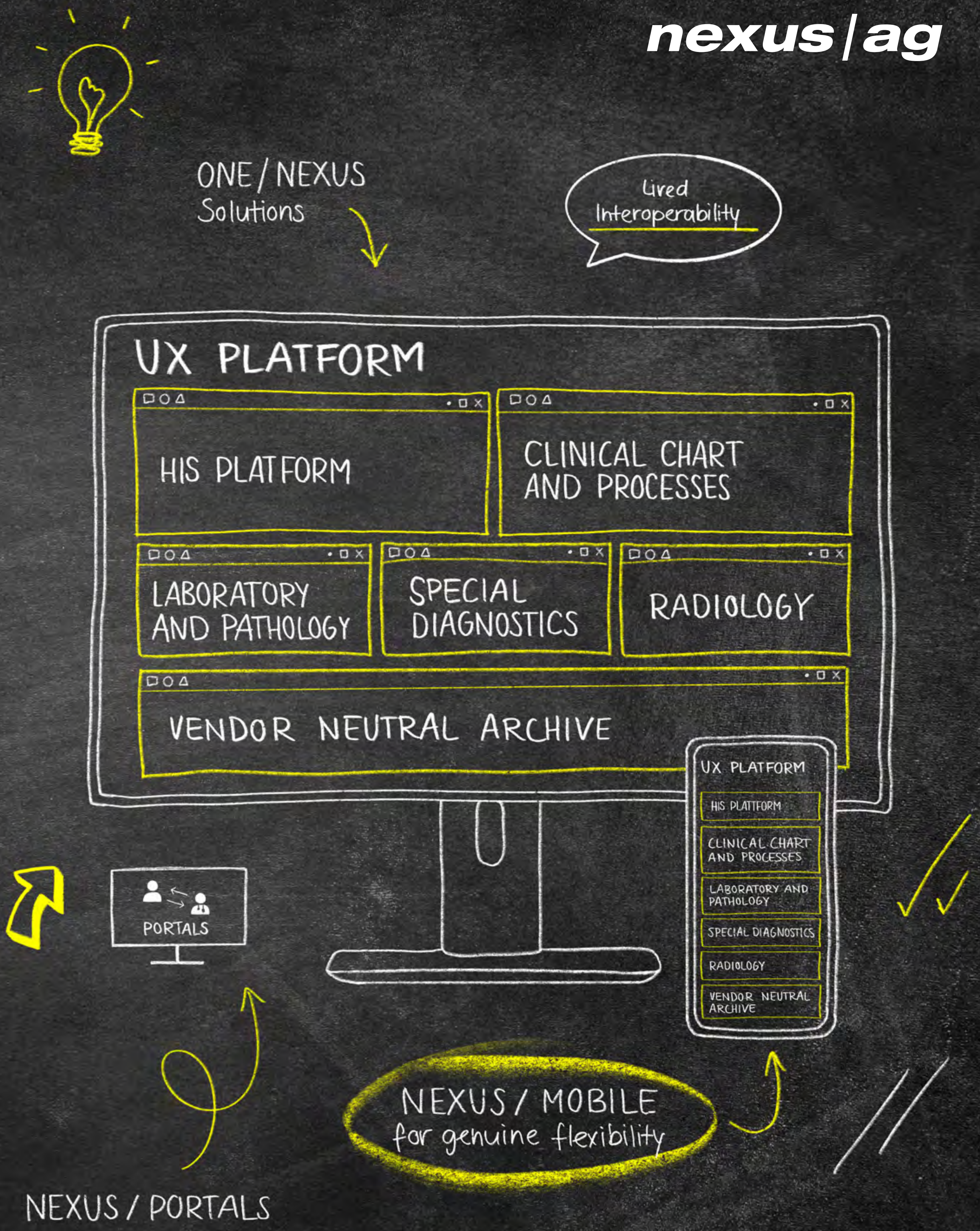
nexus | ag



Annual Report 2021

__ Financial Highlights for the Fiscal Year 2021

	2021	2020	Change
Sales, operating result and cash flow	KEUR	KEUR	(in %)
Sales	188,178	162,944	15.5
Segment revenues Healthcare Software (unconsolidated)	181,202	154,613	17.2
Segment revenues Healthcare Service (unconsolidated)	12,937	15,279	-15.3
Domestic sales	103,044	88,611	16.3
Sales in foreign countries	85,134	74,333	14.5
EBITDA	40,770	36,640	11.3
EBITA	28,872	24,284	18.9
EBIT	24,114	19,915	21.1
EBT	23,055	19,592	17.7
Consolidated net income	17,459	15,091	15.7
Cash flow from operating activities	31,386	30,947	1.4
Cash flow from investment activities	-21,249	-22,005	-3.4
Earnings per share (undiluted / diluted) in EUR	1.09	0.95	14.7
Ongoing development costs and depreciations			
Capitalization of software developments	2,531	3,013	-16.0
Development costs	34,633	27,592	25.5
Total depreciation	16,656	16,725	-0.4
Depreciation from purchase price allocation	4,758	4,369	8.9
Assets and equity capital			
Non-current assets	181,118	159,021	13.9
Current assets	66,223	64,141	3.2
Liquid assets	26,172	26,449	-1.0
Equity capital	142,403	123,583	15.2
Share price (closing price, Xetra, in EUR)	71.60	51.00	40.4
Employees (annual average)	1,469	1,322	11.1

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

Content __ Annual Report 2021

01 __ Letter to our Shareholders

Dear Shareholders:

Coping with the pandemic is not only a health and social challenge; It is undoubtedly also an entrepreneurial feat. The rapidly changing conditions and regulations have continuously challenged our organization, our employees and our service provision in 2021. More than ever, it was important to find flexible solutions for increasingly new problems and rules in the short term.

Especially in this phase, it was important that our customers – hospitals, rehabilitation facilities, homes and doctors – were supported with first-class service and tailor-made software offers. They deserve our thanks and hard work for the great commitment that the employees of these institutions are making in the pandemic.

We are therefore also proud that we have been able to work hard and at the same time have been able to conclude 2021 very successfully both economically and in terms of content. With confidence, innovation and flexibility, we were able to achieve all the goals of the year and maintain our long-term prospects for success.

__ Dr. Ingo Behrendt, Chief Executive Officer (CEO)

It is thanks to our dedicated customers and employees that 2021 was such a successful year for our company. The digitalization of healthcare facilities is a demanding and collaborative task that always succeeds when providers and customers work together in a committed manner.

But we also had to fight in 2021. Stricter curfews, travel and contact bans in some countries and regions temporarily led to declining demand or project delays.

The elimination of trade fairs and personal encounters has limited our marketing activities and the confusing situation in the fight against pandemics has led to delays or cancellations of IT projects in many hospitals.

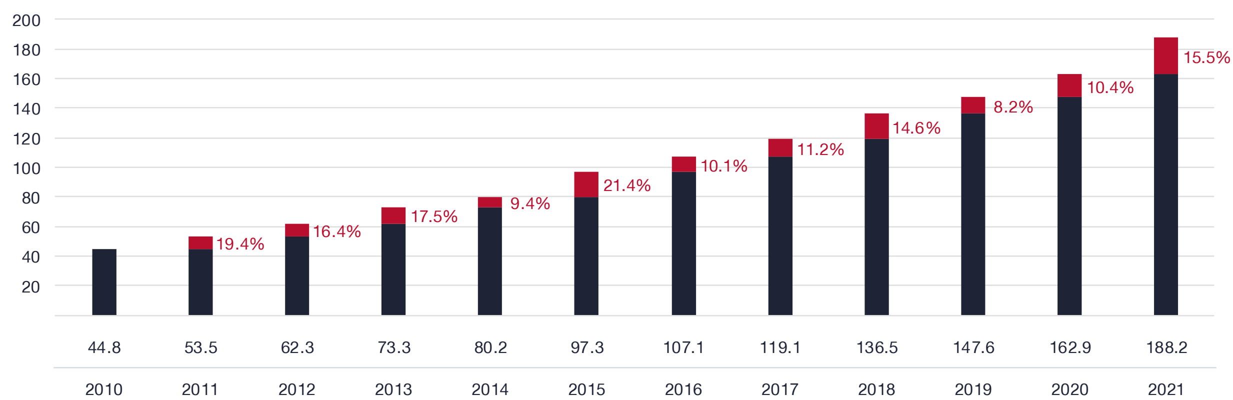
__ 2021: Pandemic and Digitization, a Challenging Year

Overall, healthcare institutions have faced numerous shifts in priorities. Many work processes have become more digital, and the necessity and advantages of digitization are becoming increasingly clear. Digitization has also become a major trend in the healthcare sector. This can be seen in the numerous state-sponsored digitization programs that were launched in Germany, France, the Netherlands and other countries within a short time. Very extensive programs were launched in this area and provided with considerable resources. The reason is not least the recognition that the pandemic is also a crisis of medical data management and medical statistics and that improved digital infrastructure is one attempt at a solution.

__ 2021: Focus on Innovation as a Success Factor

It must not be overlooked that the path to a digitalization of the healthcare system is conceptually still in motion. Different product and technology concepts compete with each other and there is still no uniform view of the content and technological structure of digitization on the market. While monolithic system solutions for healthcare facilities have been preferred in many countries, the strategy of modular, interoperable systems implemented by NEXUS is currently gaining ground. Many countries are working on the development of an interoperable ecosystem in health IT and are focusing heavily on innovation. With our modular, platform-oriented system, we are very well positioned for this trend and meet the expectations of our customers with our focus on innovation. Innovations that provide users with immediate work facilitation and a positive user experience (UX) are particularly in demand:

2010 to 2021 __ Group Sales in EUR million



Our new “NEXUS / ADVANCED REPORTING” diagnostics solution, which supports the creation of findings and diagnoses based on image analyses, predefined terminologies and experience knowledge (AI), was at the heart of our development in 2021. The advantage: Findings can be produced significantly faster and in higher quality. We have also developed our "NEXUS / VNA," further, i.e., hospital-wide image and document archiving, which enables a complete view of patient records. The same applies to the new development “NEXUS / PORTAL”, which facilitates communication between patients, referring physicians and hospitals.

Our ONE / NEXUS developments are all designed under the Total Experience approach, i.e., we want to create new spaces of experience for employees and patients through technologies and thus create personal experiences and enthusiasm. The success of our ONE / NEXUS product offensive proves us right. For this reason, we again invested approx. **19% of our sales or around EUR 35 million** in new developments in 2021. This is a high value that is unique in our industry. Our strong position and good market prospects continue to justify these investments.

__ 2021: Further market consolidations

The good market prospects have also motivated other providers to push market consolidation forward in 2021. Private equity companies and strategic investors have concluded a larger number of small and medium-sized acquisitions in Germany and other European countries. Oracle Corporation (USA) announced the largest acquisition in 2021 with the acquisition of the healthcare-IT company Cerner Corporation (USA) at a total cost of USD 28.3 billion.

In 2021, we also strengthened our technological and human resources further by acquiring six small, highly specialized teams. We are currently focusing on companies with special know-how, with which we can jointly tap new market potential and provide synergies in the face of technological and sales challenges. Since February 2021, we have held a 51% interest in **ITR Software GmbH** Lindenberg im Allgäu. Thanks to its staff and the integration of its software products, we can serve the rehabilitation market even more thoroughly and expand our position. At the beginning of April 2021, we also acquired a majority stake in **ANT-Informatik AG**, Zurich (Switzerland). This further expanded our commitment to this area of CRM for hospitals and donor organizations. In June 2021, we acquired the company **DC-Systeme Informatik GmbH,** Heiligenhaus. The company specializes in the development and distribution of pathology and cytology systems. NEXUS is already the market leader in this area, and we are significantly strengthening our joint market position through this merger. Together, we are able to significantly accelerate the development of "**digital pathology**" and thus invest in a growth driver of the coming years.

In Switzerland, we have acquired a majority of two small companies with **osoTec GmbH**, Affoltern am Albis (Switzerland), and **SINAPSI Sagl**, Lugano (Switzerland). The aim is to strengthen our market position in the respective region and through product extensions. The **asset deal** in the Netherlands, which we implemented together of with the Dedalus Group, also includes a team that focuses on the development of drug and pharmacy software. We will work intensively on the integration of the new partner companies and software in the coming months. Here it is important to adapt and position the products of the companies as ONE / NEXUS products.

__ 2021: High Number of Incoming Orders

We were completely focused on the public funding programs in 2021. We have supported our customers in the conception and application process and helped them to meet the tight deadlines of the programs. Incoming orders from public funding programs did not play a major role this year.

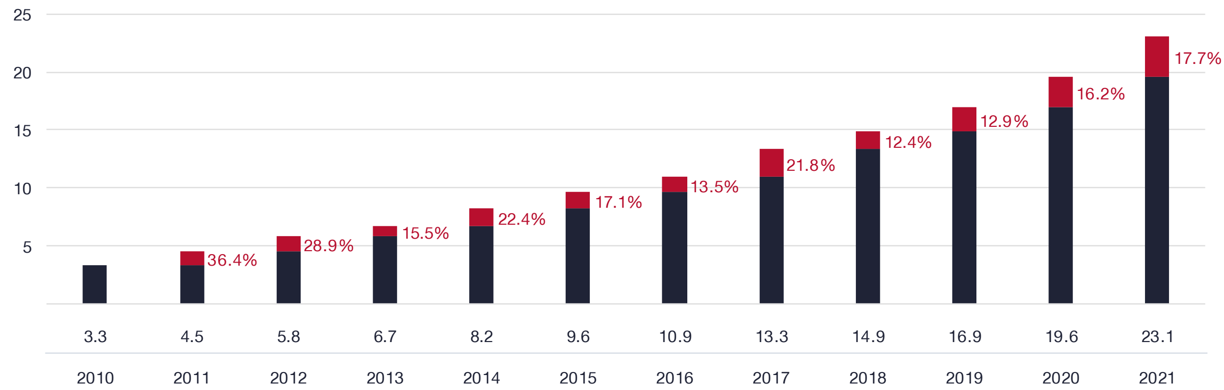
Despite this strong focus on future order opportunities, we were also able to record very high incoming orders in 2021, win many tenders and implement projects. Here are a few examples: In Germany, we were commissioned by a large hospital group with the implementation of the **digital medical records in almost 100 hospitals**. **The University Hospital Aachen** has commissioned us with the digitization of its pathology area, the **University Hospital Rostock** with the digitization of all special diagnostics and the **University Hospital Bonn** has decided to introduce NEXUS / RIS and NEXUS / PATHOLOGY. In Switzerland, we will introduce our **NEXUS / HIS^{NG} in the Paraplegic Center Nottwil**, we were able to win a tender for **an HIS introduction in 30 hospitals** in the Wielkopolska region in Poland, and we were able to win a major HIS project in the Gelderse Vallei Hospital in the Netherlands.

__ Ralf Heilig, Chief Sales Officer (CSO)

Lower Austria has opted for our NEXUS / CURATOR solution in quality management in 77 healthcare facilities and in France we were able to win an important CSSD contract at the Centre Hospitalier Mulhouse. In Barcelona (Spain), Hospital Clinic opted for our obstetric solution NEXUS / ASTRAIA. We were able to enthuse Heiligenfeld Kliniken for our NEXUS / REHAB solution, and the hospital in Villingen-Schwenningen ordered the NEXUS / PATHOLOGY solution. Vivantes has introduced the NEXUS / CURATOR solution in all hospitals in Berlin and the Suhl Community Laboratory has introduced our NEXUS / SWISSLAB laboratory solution.

These order examples demonstrate that the market trusts our products and our company. NEXUS is regarded as an innovative and reliable partner that can also be relied on for long-term investment decisions. This is an important argument, because many customers are uncertain about the takeover of their software providers and are looking for secure alternatives.

2010 to 2021 __ EBT in EUR million



However, we also had some disappointing developments in 2021. In particular, the Healthcare Services division did not achieve targeted growth and expected results. One reason was staff shortages, which we were unable to compensate for due to the tight situation on the labor market.

Overall, we can be very satisfied with **incoming orders and project implementations in 2021**. It has been confirmed once again that our product strategy is increasingly meeting market expectations and that our modular approach is gaining international acceptance.

__ 2021: Very Strong Sales and Earnings Development

Total sales rose very significantly in the reporting year to **KEUR 188,178** (previous year: KEUR **162,944**). Compared to the previous year, sales were approx. 16% higher. Revenues from license sales have developed strongly, rising from EUR 24.8 million to EUR million in total 30.2 (+ 21.7%). International business in 2021 represented a share of 45.2% in the total Group in 2010 following 45.6% in the previous year. In 2021, NEXUS once again invested more in the development of its products. At around EUR 34.6 million, investments were approx. EUR 7.0 million higher than in the previous year. The investment ratio – measured in terms of sales – was thus approx. 19%. Despite the major challenges posed by the pandemic, we have 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 2021 were once again very much higher than the previous year. EBITDA rose to KEUR 40,770 following KEUR 36,640 (+11.3%). We were able to increase EBIT by approx. 21.1% from KEUR 19,915 to KEUR 24,114. EBT reached KEUR 23,055 following KEUR 19,592 (+17.7%). Consolidated net income increased from KEUR 15,091 to KEUR 17,459 (+15.7%).

__ Edgar Kuner, Chief Development Officer (CDO)

Once again, cash flow from operating activities was very strong, reaching KEUR 31,386, slightly above the previous year's level. (previous year: KEUR 30,947). This includes larger tax payments in the amount of KEUR 5,652, which were significantly above the previous year's value of KEUR 3,311.

The liquid assets of NEXUS Group amounted to a total of KEUR 26,172 (previous year: KEUR 26,449) on 31/12/2021, despite significant investments last year (acquisition and development investments). Earnings per share reached a value of EUR 1.09 after EUR 0.95 in the previous year (+14.7%). These strong results include special expenses for acquisitions and company integrations. In addition to the direct costs, we invest significant corporate resources in the successful integration of new companies. We calculate the total costs for this to be approx. EUR 1.48 million in 2021.

The NEXUS team is very proud of these results and has achieved **high growth rates in sales (CAGR: 15.3%) and earnings (CAGR: 35%) for the 20th consecutive year!**

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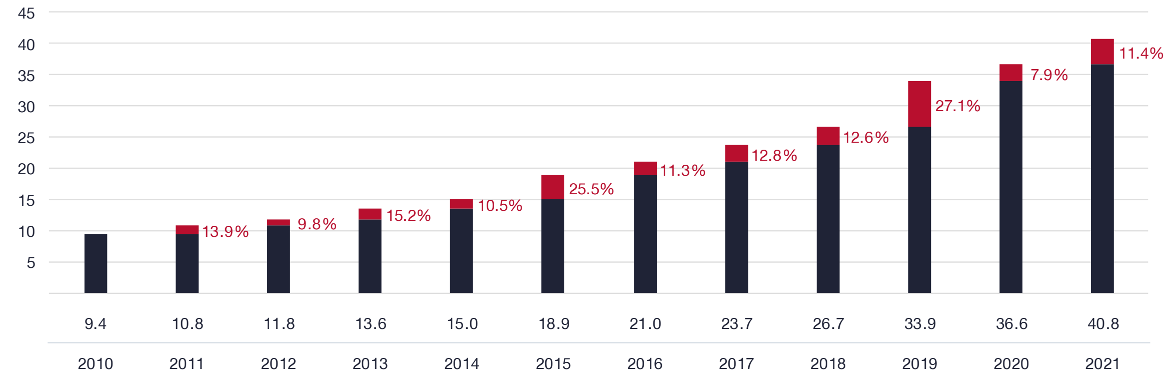
2010 to 2021 __ EBITDA in EUR million



__ 2022: We Remain Optimistic

Our environment remains turbulent: the unclear pandemic situation, supply bottlenecks, high inflation and nervous capital markets. The challenges are quite diverse. Nevertheless, we are very optimistic about the rest of the year 2022. We see that the European digitization programs are entering the implementation phase and that health institutions are prioritizing these projects more strongly. Our strategy of expanding teams, product offerings and regional presence with the acquisition of smaller software companies is proving successful. We are pleased that the integration measures create large product and sales synergies in the group.

In addition, the product range of NEXUS is very attractive. Our product strategy – to offer a platform-based, modular HIS – corresponds to the market trend and is well received by customers, and with our position as an integrated HIS provider and provider of interoperable modules, we have an exceptional position on the market, which we will improve further.

__ 2021: NEXUS Shares: Sustained Upward Trend

The capital market has also rewarded the development of NEXUS in 2021 by increasing demand for our shares. NEXUS shares started the year 2021 at a price of EUR 51.00 (closing price 31/12/2020, Xetra). Except for a setback in March at an annual low of EUR 47.90 (closing price 05/03/2021, Xetra), the NEXUS share developed 2021 steadily upward and reached a maximum price of EUR 80.70 (closing price 25/10/2021, Xetra) in October. At the end of the fiscal year 2021, the level could not be fully maintained and the price fell to EUR 71.60 (closing price 30/12/2021, Xetra).

Compared to the previous year, the share thus achieved an increase of 40.4% compared to 47.4% in the previous year. The DAX 40 increased by approx. 15.8% and the TECDAX by approx. 22.0% during this time.

Dear Madam/Sir and Dear Shareholders: The NEXUS team is once again very proud of the 2021 operating result and is pleased with the positive feedback from the capital market. It is even more important for us that we have repeatedly been able to make a positive contribution to our customers and patients **in the pandemic situation**. We are glad that our work and our technology can help those affected to fight and survive this serious crisis. This contribution motivates the NEXUS team in the long term.

Dear Shareholders: Your trust and loyalty to the company has enabled us to succeed in recent years and we would like to thank you very much for that. Together with you, with our customers, employees and partners, we want to continue the extraordinary development and continue to make a significant contribution to the digitization of the healthcare system.

Warm regards,

Dr. Ingo Behrendt	Ralf Heilig	Edgar Kuner
Chief Executive Officer	Chief Sales Officer	Chief Development Officer

NEXUS / ADVANCED REPORTING

Intelligent Diagnosis

NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnoses: AI-controlled and automated. Diagnosis and documentation are made must faster (60% faster). Everything based on structured terminology.

PROCESS

1. Media transfer from medical device (e.g., endoscope)
2. Interactive diagnosis with tool support
3. Doctors' letter with structured terminology

complete and precise diagnosis

Step by step Guidance

INPUT

Anatomic graphs
Interactive organ images
Videos

Void control
Manual text entry

Measured values

Results from artificial recognition algorithms

CREATION

Structured diagnoses in a short time.
Semantic networks / terminologies / ontologies
Algorithms

SUPPORT

Wiki / Library for quickly available background knowledge (such as SOPs)

Help for training, quality assurance, overcoming language barries

RESULT

Standardized, individual doctor's letters

Structured analyses (for management, medical analyses, AI-controlled research)

Procedure derivation

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 2021. 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 his deputy 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 2021, Prof. Dr. Felicia Rosenthal, Dr. Hans-Joachim König (Chairman), Prof. (em.) Dr. Ulrich Krystek (Deputy Chairman), Prof. Dr. Alexander Pocsay, Dr. Dietmar Kubis and Juergen Rottler were members of the Supervisory Board for the entire year.

In the fiscal year 2021, 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 2021 on 08/03/2021, 27/04/2021, 29/09/2021 and 20/12/2021. In addition, Supervisory Board meetings were held or Supervisory Board resolutions were passed on 30/06/2021, 07/09/2021, 23/09/2021, 03/11/2021, 19/11/2021 and 06/12/2021 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 on 08/03/2021 dealt with the audit of the annual financial statements and consolidated financial statements of Nexus AG for the 2020 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. The election of the auditor was also proposed to the Annual General Meeting.

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. Several resolutions concerning the acquisition of companies or shares were passed. The Executive Board also provided the Supervisory Board with detailed information on the Compliance Management System in place at Nexus AG and its subsidiaries.

	08/03/2021	27/04/2021	30/06/2021	07/09/2021	23/09/2021	28/09/2021	03/11/2021	19/11/2021	06/12/2021	20/12/2021
	Personal / virtual session	Virtual session	Written circulation procedure	Written circulation procedure	Written circulation procedure	Personal / virtual session	Virtual session	Virtual session	Written circulation procedure	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	X	X	X	X	X
Dr. Dietmar Kubis	X	e	X	X	X	X	e	X	X	X
Prof. Dr. rer. oec Alexander Pocsay	X	X	X	X	X	X	X	X	X	X
Prof. Dr. med. Felicia M. Rosenthal	X	X	X	X	X	X	X	X	X	X
Juergen Rottler	X	X	X	X	X	X	X	X	X	X

e = excused

From left: Dr. Dietmar Kubis, Juergen Rottler, Prof. Dr. rer. oec Alexander Pocsay, Dr. Hans-Joachim König, Prof. Dr. med. Felicia M. Rosenthal, Prof. (em.) Dr. Ulrich Krystek

__ German Corporate Governance Codex

Subsequent to its meeting on 20/12/2021, 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 – Company – Investor Relations – Corporate Governance. 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 Auditing Committee created by the Supervisory Board met once in the fiscal year 2021 on 08/03/2021. The Human Resources Committee did not meet in the fiscal year 2021. 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 2021 have been audited with the inclusion of the accounting records by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. In addition, the remuneration report was formally audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, in accordance with Section 162 AktG. 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 2021 at the Annual General Meeting on 27/04/2021 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 of 07/03/2022. The auditor also participated in the Audit Committee meeting and the Supervisory Board meeting on 07/03/2022. 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 07/03/2022. 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 by resolution on 07/03/2022.

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, 07/03/2022

Dr. Hans Joachim König
Chairperson of the Supervisory Board

NEXUS / PORTAL

The digital patient support

NEXUS / PORTAL provides support of patients via a competent treatment process and subsequently treating facilities. Patient empowerment thus becomes an integrated component of everyday hospitality work.

PATIENT EMPOWERMENT

Documents and data are provided to a patient during and after treatment. As a result, he always has an overview of the treatment process – transparence and control are ensured.

PROCESS

1. **BEFORE treatment**
   Online appointment scheduling, information about length of stays and upload of relevant patient information
   → structuring of admission

2. **DURING treatment**
   Access to current findings and schedules from the treatment process → In the hospital

3. **AFTER treatment**
   Inquiry sheet and relevant documentation for subsequent treatment by general practitioner, in an institution or a rehabilitation facility
   → Easing the workload of general practitioner, rehabilitation facility

Intuitive an easy operation for patients!

TOOLS

Before hospital admission	In the hospital	After discharge
Documents and forms for admission and information Online appointment scheduling with reminder feature and check-in	Treatment-specific information, results from preliminary examinations, examination results, information about the treatment process	Image data, digital aftercare and doctors' letters

PATIENT EMPOWERMENT

Advantage for hospitals

- ☑ Optimization of admission process (pre-admission, scheduling management)
- ☑ Simplified information to the patient
- ☑ Unnecessary repetition of information prevented

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 Charts 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 Mobil Platform

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

i

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 / VNA

The universal archive

Regardless of wether images, scans, reports or laboratory reports, NEXUS / VNA enables secure access to all patient documents. A VNA platform that displays all data relevant to a patient at one glance.

PROCESS

1. Format-independent archiving
2. Clear displays of all documents, images, etc.
3. Integrated in the medical workflow

TOOLS

DATA FORMATS

- Documents
- Video and DICOM data
- Administrative data
- Structured (discrete) data
- Laboratory values
- Manufacturer-independent
- Holistic archiving platform

IMAGING

Specialist department-specific viewer for findings and image data

Compliant with the Medical Products Law

SHARE FUNCTION

Networking

Standard-compliant, external data exchange and data analysis

PROCESS FEATURE

Workflows

Routing documents as well as process automation via own workflow energy

RESULT

WOW

All data are achived manufacturer-independent in a universal archive, which enables specialist-overlapping and specific access.

04 __ Stock Market, Event and Financial Data

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.

Melanie Ilic

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

Company Profile

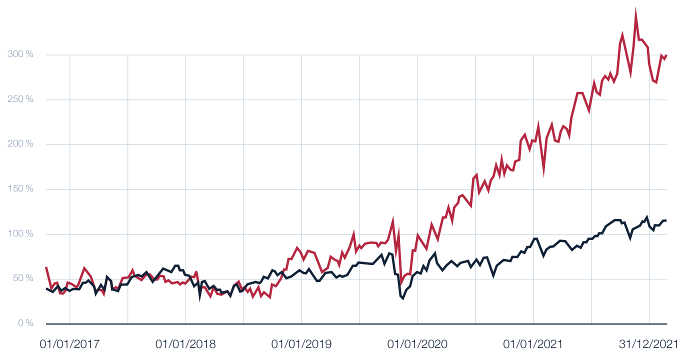
Nexus AG develops and sells software solutions for the international healthcare market. With our core Hospital information system (NEXUS / HIS) and integrated diagnostic modules (NEXUS / DIS), we have a unique product range, which can cover almost all functional requirements of hospitals, psychiatric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

NEXUS employs approx. 1,650 people, is present in seven European countries with its own sites and serves customers in an additional 23 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

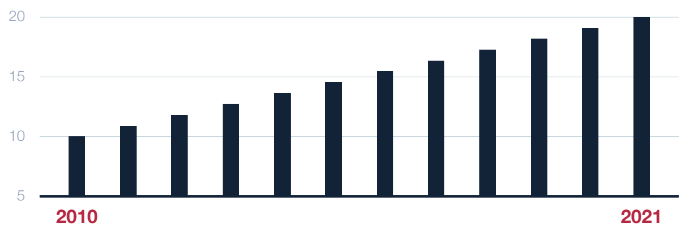
CLOSING PRICES XETRA				
	2021	2020	2019	2018
Highest	80.70	53.00	36.00	29.30
Lowest	47.90	21.00	22.70	22.30
Stock Market Capitalization (fiscal year in millions of euros)	1,132.3	803.4	545.0	385.1
Result per share (diluted) in EUR	1.09	0.95	0.69	0.69

Frankfurt stock exchange stock prices (5-year period)

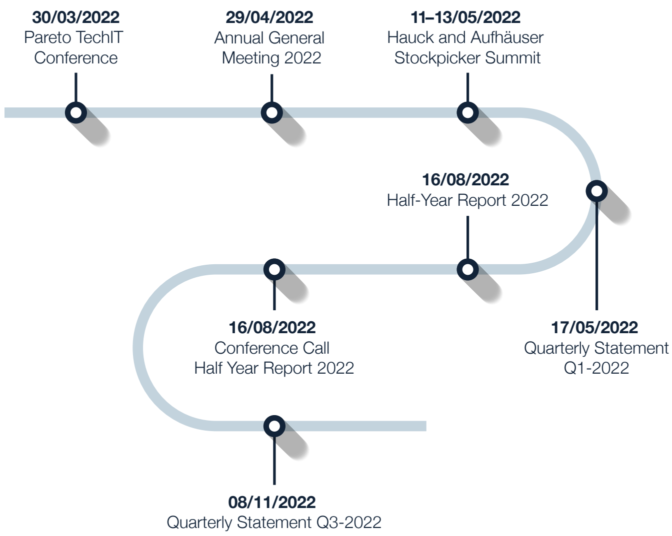


Dividends

We are convinced that our shareholders should be appropriately involved in the 2021 result. At the same time, further equity financing of our growth plans must be ensured. The Executive Board and Supervisory Board will propose at annual general meeting to pay to shareholders a one cent higher dividend compared to the previous year, i.e., 0.20 EUR (2020: 0.19 EUR).



Financial calendar



05 __ Our NEXUS Management Team

Stefan Berg __ NEXUS / CLOUD IT

Stefan Born __ NEXUS Deutschland

Marc-Francois Bradley __ SOPHRONA (USA)

Ivo Braunschweiler __ NEXUS Schweiz

Clas Clasen __ NEXUS / QM

Sabine Dold __ Nexus AG

Uwe Engelmann __ NEXUS / CHILI

Markus Erler __ NEXUS Deutschland

David Fernández Fernández __ NEXUS Spain

Klaus Fritsch __ NEXUS / LAB

Christine Gärtner __ NEXUS / ASTRAIA & CMC

Joost van Geijn __ RVC (Nederland)

Udo Geißler __ E&L

Andreas Giebisch __ dc-systeme

Wolfgang Hackl __ NEXUS Österreich

Uwe Hannemann __ E&L, NEXUS

Marion Härtel __ NEXUS / IPS

Daniel Heine __ NEXUS Deutschland

Fred Hiddinga __ NEXUS Nederland

Timo Hornig __ NEXUS / CSO

Melanie Ilic __ Nexus AG

Katharina Kajzer __ NEXUS / EPS

Dennis Klein __ ANT-Informatik

Jacek Kobusinski __ NEXUS Polska

Eric van Kooten __ NEXUS Nederland

Hagen Kühn __ NEXUS / CSO

Thomas Lichtenberg __ NEXUS / MARABU

Arnd Liman __ NEXUS / PATHOLOGIE

Pawel Masadynski __ NEXUS Polska

Heiko Münch __ NEXUS / CHILI

Sebastian Münch __ NEXUS / SWISSLAB

Cornelia Neuendorf __ NEXUS / ASTRAIA

Thomas Nieth __ NEXUS / HIGHSYSTEM

Jürg Ott __ osoTec

René Pfeiffer __ NEXUS Deutschland

Jörg Polis __ ifa systems

Roland Popp __ Nexus AG

Svenja Randerath __ Nexus AG

Loïc Raynal __ NEXUS France

Friedhelm Rösner __ NEXUS Schweiz

Claus Rückert __ ITR Software

Tobias Schlecht __ NEXUS Deutschland

Wolfgang Schmezer __ RVC (Deutschland)

Thorsten Schmidt __ RVC (Deutschland)

Andreas Schwengeler __ NEXUS / CREATIV

Ulrike Stahnke __ E&L

Marc Sterenberg __ RVC (Nederland)

Sabine Süsskind __ NEXUS / CHILI

Ewa Szalczyk __ NEXUS Polska

Jean-Marc Trichard __ NEXUS France

Sylvia Unger __ NEXUS / EPS

Hannes Wehinger __ Nexus AG

Tobias Wunden __ ANT-Informatik

Michael Ziegler __ NEXUS Schweiz

NEXUS / PATHOLOGY

The digital pathology of the future

Competence and technology from one source

Pathologies can digitize their complete process chain in the future using the software solution, from NEXUS. From order creation to creating structured diagnoses and communication and all the way to archiving, all specialized data can be retrieved at any time. IT infrastructure, microscope cameras, slide scanners, immune dyes and casette / slide printer can be integrated as well as various views and AI solutions.

PROCESS AND TOOLS

EVERYTHING DIGITAL

LAURIS and laboratory management

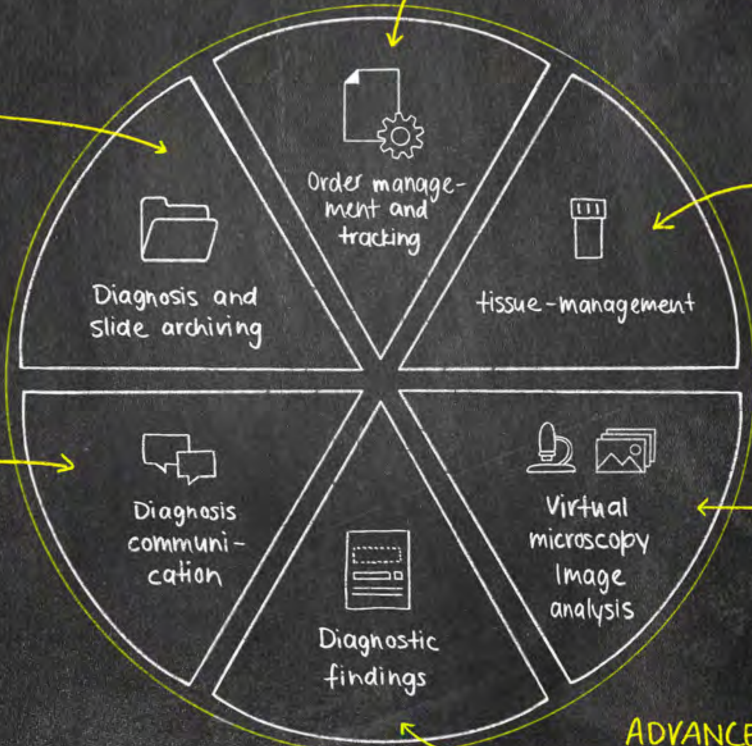
VNA

Sample tracking
HISTOJET
HISTOPRINT

LAURIS
PORTAL
LDT
HL7
KIM (electronic doctor's letter)
...

Image management viewer
AI image analysis

ADVANCED REPORTING
Voice recognitation



RESULT

- ☑ More efficient and digital pathology workflow
  → fast and reliable diagnosis thanks to AI use
- ☑ Standard overlapping workflows
- ☑ Multi-disciplinary collaboration and support of tumor boards
- ☑ Sample container labeling secure against mix-ups
- ☑ Interoperability
- ☑ Transparent and quality assured

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 / KIS^{NG}: Complete information system for somatic hospitals in Germany
+ NEXUS / PSYCHIATRY: Complete information system for psychiatric institutions
+ NEXUS / REHAB: Complete information system for rehabilitation facilities
+ 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 process and HR consulting in the SAP environment
+ ifa systems: Software solutions in ophthalmology
+ Sophrona Solutions: Patients 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: Information system for pathology and cytology institutes
+ dc-Pathos, dc-LabMan: Information systems for pathological and cytological devices, print management for cassette and slide printers
+ NEXUS / RADIOLOGY: Radiology information (RIS) and imaging system (PACS) for radiology wards and offices
+ NEXUS / CHILI: PACS and teleradiology solutions
+ 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

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, open 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 to our customers in the healthcare system, with which they can digitalize, accelerate and improve the quality of their business processes. IT services round out the performance range.

NEXUS Group is represented at the sites Donaueschingen, Berlin, Dossenheim, Erlangen, Frankfurt am Main, Freiburg im Breisgau, Hanover, Magdeburg, Ismaning, Lindenberg, Heiligenhaus, Jena, Kassel, Neckarsulm, Ratingen, Münster, Frechen, Singen (Hohentwiel), Siegburg, Wien (AT), Antwerpen (BEL), Affoltern am Albis (CH), Wallisellen (CH), Widnau (CH), Altishofen (CH), Basel (CH), Lugano (CH), Zurich (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 2021:

+ NEXUS . IT GmbH SÜDOST, Donaueschingen, was merged with the merger agreement of 28/11/2020 into NEXUS / CLOUD IT GmbH, Donaueschingen, as of 01/01/2021.

+ Nexus AG, Donaueschingen, purchased a 51% share in ITR Software GmbH, Lindenberg im Allgäu, on 04/02/2021. A put/call option contract exists for a further 49.00% of the shares.

+ Nexus AG, Donaueschingen, acquired a further 5.02% of the shares of the subsidiary NEXUS Polska Sp. Z o. o., Poznan, on 24/03/2021 from the existing option agreement.

+ The NEXUS AEGERUS SL., Sabadell (Spain) was merged into NEXUS SISINF SL, Sabadell (Spain) with a merger agreement dated 24/03/2021 as of 01/01/2021.

+ NEXUS Schweiz AG, Altishofen (Switzerland), a wholly-owned subsidiary of Nexus AG, Donaueschingen, acquired 63.92% of the shares in ANT-Informatik AG, Zurich (Switzerland) on 01/04/2021. A put/call option contract exists for a further 36.08% of the shares.

+ Nexus AG, Donaueschingen, acquired a further 6.33% of the shares of the subsidiary NEXUS Polska Sp. z o. o., Poznan, on 22/04/2021 from the existing option agreement.

+ Nexus AG, Donaueschingen, purchased a 100% share in DC-Systeme Informatik GmbH, Heiligenhaus, on 21/06/2021.

+ NEXUS Schweiz AG, Altishofen (Switzerland), a wholly-owned subsidiary of Nexus AG, Donaueschingen, acquired 55.00% of the shares in osoTec GmbH, Affoltern am Albis (Switzerland) on 01/07/2021. A put/call option contract exists for a further 45% of the shares.

+ Nexus AG, Donaueschingen, acquired a further 11.7% of the shares of the subsidiary ASTRAIA Software GmbH, Ismaning, from the existing option agreement of 12/08/2021.

+ NEXUS Schweiz AG, Altishofen (Switzerland), acquired the remaining 100% of the shares in SINAPSI, Lugano (Switzerland) on 24/08/2021.

+ Nexus AG, Donaueschingen, acquired a further 27.3% of the shares of the subsidiary ASTRAIA Software GmbH, Ismaning, from the existing option agreement of 08/12/2021.

The reason for the mergers is the merger of previously separately managed profit centers and the consequent improved control capability.

__ Control System

NEXUS Group is divided into two divisions ("Healthcare Software" and "Healthcare Services") and into various business areas within the segments. 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 EBT. The Executive Board checks the key figures quarterly.

__ Research and Development

NEXUS Group does not conduct any research, but instead only software development. In 2021, investments were especially made for developments for the products NEXUS / HIS and well as for NEXUS / HIS^{NG}, NEXUS / RADIOLOGY, CWD, Emed and NEXUS / MOBILE apps. Additional supplementary products were developed new and launched on the market directly. The NEXT GENERATION software (NG), with which we are already close to many innovation topics and want to further expand our high level of innovation, is developed within Nexus AG and supported by the establishment of our own development group.

Total expenses for developments in 2021 amounted to KEUR 34,633 in (previous year: KEUR 27,592), representing 18.4% of sales revenues (previous year: 16.9%). Of the total development expenses, KEUR 2,531 (previous year: KEUR 3,013) were capitalized. This corresponds to a capitalization rate of 7.3% (previous year: 10.9%). Depreciation on own development costs amounted to KEUR 4,070 (previous year: KEUR 5,100).

Development investments, which can be capitalized, are planned for the fiscal year 2022 in approx. the same amount as in 2021. A total of people 529 were employed in the development sector at the end of the fiscal year (previous year: 457 employees).

ECONOMIC REPORT

__ Macroeconomic and General Industry-Related Factors

NEXUS sells mainly to customers in the public healthcare system domestically and abroad with focus on Germany, Switzerland, the Netherlands, France, Poland and Austria. The order situation depends on the competitive environment as well as budget developments in the healthcare system of the individual countries. This was again demonstrated in the COVID-19 pandemic. In the context of the pandemic, substantial funds have been and are being transferred from public finances to the healthcare system, which has led to increased investment in healthcare. Digitization is one of the main objectives of the investment projects.

Despite this positive development, there is still a risk that, as a result of the pandemic, public finances in European countries will come under pressure and savings will be necessary. 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. 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.

This view is supported by the German Health information Act, the Ma Santé 2022 program in France and other similar programs in European countries. Significant resources for the digitization of healthcare are provided in these programs, which will define the priorities of our industry for the coming years. On the other hand, economic developments are less important for the business development of the NEXUS Group.

__ Technology Trends

Tracking technological trends has become particularly important for the NEXUS Group in recent months. The COVID-19 pandemic has in part led to very significant changes in digitization and to new technological trends that have a direct impact on our business. In addition to our market observations and own developments, we follow the reports of research institutes (e.g., Nucleus's top 10 predictions for 2022, Gartner 12 TOP Strategic Technology Trends for 2022, and Forrester Predictions 2022) on current technology trends and thus create a framework for our technology strategy. We have classified the following trends as significant for us in 2022:

__ Trend I: Distributed Cloud and Cloud-native Platforms

Cloud-based platforms are increasingly changing toward the 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. The ability to physically locate cloud services closes to one another helps to keep latency to a minimum, reduces transmission costs and can be of assistance when data needs to be kept in a certain geographical region (hyper-localization). 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.

Distributed cloud platforms are also growing rapidly in the healthcare sector, and cloud acceptance is substantial now. 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. Research institutes expect that cloud-native technologies such as container platforms and serverless computing as well as cloud-to-edge integrations will usher in a new era of distributed enterprise software in the next five years. NEXUS sees this trend as an opportunity. Our container technology enables us to innovate and become increasingly cloud-native.

__ Trend II: 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 outcomes. This will increasingly be done in the context of virtual care. Although very clear deficits in human care are to be feared, patients will benefit from virtualization. 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) and participates intensively in research projects (e.g., at Charité Berlin) for the digital support of chronically ill people in the home environment.

__ Trend III: Work-from-home becomes work-from-anywhere

The virtualization of the healthcare market is closely linked to the phenomenon of working from home. Mobility has become a matter of course in IT. Meanwhile, the dynamics of the distributed workforce have increased even further. It can be assumed that hybrid forms of work will become the standard and that work-from-home will become work-from-anywhere. To avoid efficiency and identification losses, technologies must be used that support the new office concepts and pave the way for flexible forms of meeting and new opportunities for building social relationships. Augmented Reality (AR), multi-screen environments, natural language processing, and spatial audio will be used to increase productivity and create immersive workplaces for employees wherever they are.

This development is important for NEXUS, and we are already supporting this trend today with our own software developments. This same applies to our employees: Here too, we must adapt technologies and processes in such a way that work-from-anywhere does not result in productivity losses.

__ Trend IV: Cyber security and the Internet of Behaviors (IoB)

The changed world we have been living in since the outbreak of the global pandemic in 2020 is particularly well suited to cybercriminals. 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. 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, 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.

As a result, new technologies and procedures that protect the privacy of data are becoming increasingly important. The term privacy-enhancing computation encompasses new processes for processing personal data in untrustworthy environments. This includes building flexible, composite architectures (Cybersecurity Mesh) that integrate widely distributed and disparate security services and improve overall security. They check identity, context, and policy compliance in cloud and non-cloud environments.

NEXUS must incorporate these trends in architectural design and product development. We are particularly challenged in our sensitive environment, in which personal data is processed.

__ Trend V: Change in the handling of legacy systems – wrap & trap

The change in the way in which we use legacy systems is one of the key trends for the NEXUS Group. The advancement, or potential elimination, or monolithic legacy systems has become increasingly important in hospitals. In many hospitals, most of the available resources are tied to legacy systems and gradual changes are too complex or too slow to meet the demands of digitalization. NEXUS is pursuing the strategy of gradually integrating legacy systems into the new IT infrastructure. Under the working title wrap & trap, we separate individual functionalities from the legacy systems and integrate them into a modern micro-service-oriented IT architecture. Encapsulated in this way, proven systems can continue to be used particularly for highly regulated areas (e. g., billing or patient management), and new architectures can be expanded. NEXUS has defined wrap and trap methods as a strategy to modernize acquired systems and to implement modernization strategies in collaboration with hospitals.

__ Trend VI: Composable applications / no- and low-code-models

Architecturally, the trend is clearly toward composable applications. Applications are increasingly composed of business-centric, modular components and facilitate code reuse. Especially in a container architecture, considerable synergies can be realized in product development.

This is also associated with easier access to technological knowledge through simpler technology applications. In software development, low- or no-code models are increasingly being used, that is to say programming environments which make it possible to create programs without in-depth programming knowledge. For NEXUS, there is an opportunity to provide our users with low-code models with which they can automate specific documentation and analyses individually. As the first product, we presented a graphical diagnostic tool for internal medicine on the market om 2020/2021. The trend toward simplified programming and standardized and reusable modules is a key part of NEXUS product development strategy.

__ Trend VII: Accountable artificial intelligence (AI)

According to research institutes, approx. three quarters of today's AI prototypes will be used in standard applications by 2024. We are already seeing an acceleration of AI development in our applications. As a result of the pandemic, AI applications have been developed much further, e.g., for the prediction of virus spread and countermeasures. AI has been widely used in many other diagnostic and therapeutic areas for a long time. This is especially true in radiology. In this area, the integration of AI is becoming more and more the standard. New trends in AI development can be found, for example, in the area of edge AI, i.e., AI algorithms are moved to the edge of the network or to devices. AI development thus takes a similar direction to edge computing as a whole. Another trend is the development of adaptive AI, which can be operated by non-experts and that provides clear results. Physicians must be able to identify the basis on which AI provides a diagnostic recommendation and explain it to their patients. NEXUS is committed to AI development projects and sees significant business opportunities over the next few years.

__ Trend VIII: Technology and purpose

Customers, investors, legislators and employees: 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 meaningful for individual employees and investors. The requirements for compliance with ESG factors document this view very impressively and show that the trend toward meaningful technology is increasing. 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.

__ Trend IX: Total experience: extended reality and new input devices

According to Gartner, total experience is one of the key tech trends for 2022. The desire to integrate employee satisfaction, customer satisfaction, user satisfaction, and multi-experience across multiple points of contact is the key driver of this business strategy. This is a business strategy that is accelerating as computers become ubiquitous in everyday life.

We are currently seeing the very rapid development of technology in human-machine communication. Advanced on-screen keyboards (OSK) with haptic features and predictive artificial intelligence will accelerate input. Foldable screens simplify the work-from-anywhere requirement and Extended Reality (XR) technologies will gradually facilitate the handling of computers. Immersive technologies such as virtual reality, augmented reality and mixed reality are already used in a variety of industries, where they are used to create immersive and personalized experiences for customers and employees.

For NEXUS, the total experience approach to application development and the integration of new input and output technologies is inspiring. Our applications do not have to focus on our hospital users, but instead include the patient experience before, during and after treatment. In the future, we will have to think even more about how we can create immersive experiences for users, patients and our own employees.

__ Outlook

Tracking key technology trends is a key aspect of the NEXUS development strategy. The pandemic accelerated a number of new developments over the past 24 months that we now have incorporated into our technology strategy for 2022. Topics such as cloud native platforms and composable applications have already become part of our development program. The work-from-anywhere trend and the virtualization of the healthcare market are also leading to new development priorities in the field of telemedicine and portals. We again see great opportunities in the hot topic "artificial intelligence". In particular, numerous application possibilities have emerged in our diagnostic information systems, for which the clarity of the algorithms plays an ever-increasing role.

At present, we need to pay particular attention to cybersecurity at all levels, both for our internal systems and for the customer systems. Privacy-enhancing computation plays a key role in this. We are intensively observing new areas of technology development such as total experience and ESG and integrating them into our new generation of software.

__ Competitive Environment and Market Position

NEXUS is well positioned on the market as an innovative solution provider in the European healthcare sector. Our successes, growth and the number of installations has led to an increase in the name recognition of the Group. We continued to pursue further expansion of our European activities in a sustainable manner in 2021 and achieved an increase in revenue.

In spite of the significant challenges posed by the COVID-19 pandemic, the companies of the NEXUS Group once again achieved great success in terms of sales in 2021. In the crisis, we were able to support our customers with support services, new products and innovations in meeting the challenges. This applies especially to our core markets Germany, Switzerland, Austria, the Netherlands, France and Poland. We were able to compensate to a large extent during the course of the year for the loss of sales in the services sector in some countries at the beginning of the year. New customers were won last year in all product areas. The products NEXUS / REBAB, NEXUS / HIS^{NG}, CWD, NEXUS / CHILI, NEXUS / GYNAECOLOGICAL HOSPITAL and NEXUS / PEGAGOS enjoyed particular success in this regard, which developed positively in the area of licensing, care and service income. In the area of overall systems, we were able to win some important orders, especially in the Netherlands, Poland, Germany and Switzerland.

The market for software systems in the healthcare sector is still characterized by tough competition and highconcentration of suppliers. Consolidation within our sector continued to progress considerably in 2021. In 2021, Meona GmbH, Freiburg, and i-SOLUTIONS Health GmbH, Mannheim, were acquired in Germany using funds of the investment company Trill Impact. CompuGroup Medical SE & Co. KGaA, Koblenz, acquired VISUS Health IT GmbH, Bochum, a company for image archiving (PACS), and Dedalus Italia S.p.A., Firenze (Italy) also acquired two companies on the German market with Dedalus Labor GmbH, Essen, (formerly OSM AG, Essen) and Dosing GmbH, Heidelberg, thereby continuing the concentration process. At the end of 2021, Oracle Corporation, Austin (USA) announced the acquisition of the healthcare IT company Cerner Corporation, North Kansas City (USA), for a total price of USD 28.3 billion.

NEXUS continues to be one of the active consolidators on the market in 2021 and has strengthened its position with acquisitions in Switzerland, Germany and the Netherlands. It can be assumed that the consolidation pressure will continue 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

__ Business Performance

__ Presentation of the Asset, Financial and Profit Situation

__ Profit Situation

In 2021 NEXUS has consolidated sales of KEUR 188,178 after KEUR 162,944 in 2020. The increase in sales amounted to KEUR 25,234 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 2,531 of own services were capitalized, which is approximately 16% less than in the previous year (previous year: KEUR 3,013). The cost of materials was KEUR 31,614 and increased by 29.8% to compared to the previous year (KEUR 24,361); the increase was thus higher than the increase in sales in percentage terms. The reason for this is essentially a large project in Poland, which has a high share of hardware. The increase in personnel expenses from KEUR 97,100 to KEUR 108,993 (12.3%) 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. After a special effect in the previous year in other operating income and other operating expenses, these have normalized in the year under review.

EBITDA 2021 reached KEUR 40,770 (after KEUR 36,640 in 2020) and was thus 11.3% above the previous year. Depreciation amounted to KEUR 16,656 (previous year: KEUR 16,725). This mainly concerns scheduled depreciation on capitalized development costs, technologies and customer relations.

EBT improved significantly from KEUR 19,592 in the previous year to KEUR 23,055 (17.7%). This outperformed the forecast, slightly increasing sales as well as the forecast slightly increasing EBT.

The Group annual surplus increased compared to the previous year (KEUR 15,091) to KEUR 17,459 (15.7%). The lower increase in consolidated net income compared to the EBT can be explained by the increase in the tax rate from 23% to 24 %.

Sales within the areas have evolved very differently. In the Healthcare Software division, sales of KEUR 181,136 were realized after KEUR 154,532 in the previous year (17.2%). This sales development exceeds the forecast. Revenues in the Healthcare Service division amounted to KEUR 7,042 (previous year: KEUR 8,412; -16.3 %). In the forecast report 2020, slightly increasing sales were assumed. Due to the current staffing shortages in this area, the sales targets could not be achieved. The initial consolidation of ITR Software GmbH, Lindenberg im Allgäu, ANT-Informatik AG, Zurich (Switzerland), DC-Systeme Informatik GmbH, Heiligenhaus, osoTec GmbH, Affoltern am Albis (Switzerland) and SINAPSI Sagl, Lugano (Switzerland) had an impact of KEUR 7,868 on revenue.

EBT within the segments developed similarly to sales. The Healthcare Software division had significantly improved EBT from KEUR 22,692 in the previous year to KEUR 17,456 (30.09%). This EBT development exceeds the forecast. The initial consolidation of ITR Software GmbH, Lindenberg im Allgäu, ANT-Informatik AG, Zurich (Switzerland), DC-Systeme Informatik GmbH, Heiligenhaus, osoTec GmbH, Affoltern am Albis SINAPSI Sagl, Lugano (Switzerland) and affects the EBT in the amount of KEUR 212. In the Healthcare Service division, EBT amounted to KEUR 363 (previous year: KEUR 2,136; -83.0%). In the forecast report, a slightly increasing EBT 2020 was assumed; due to the lower sales; this forecast was not achieved.

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 111,739 (previous year: KEUR 96,281) have risen significantly. This is mainly due to the additions of goodwill in the context of the acquisitions in the reporting period. For the other intangible assets in the amount of KEUR 37,784 (previous year: KEUR 35,058), 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 2021. Intangible assets total KEUR 149,523 (previous year: KEUR 131,339) and thus to 60.5% (previous year: 58.9%) of the balance sheet total.

As of 31/12/2021, inventories decreased by KEUR 360, mainly due to hardware inventories.

Trade and other receivables increased by 15.9% amounted to KEUR 31,930 on 31/12/2021 following KEUR 27,550 in the previous year.

Cash and cash equivalents amounted to KEUR 26,172 as at 31/12/2021 (previous year: KEUR 26,449). This corresponds to 10.6% (previous year: 11.9%) of the balance sheet total.

The equity capital of NEXUS Group amounted to KEUR 142,403 on the cut-off date following KEUR 123,583 in the previous year, which corresponds to an equity capital rate of 57.6% (previous year: 55.4%).

A dividend of EUR 0.19 per share (EUR 2,992,086.37) was paid to stockholders in 2021.

The contract liabilities amounting to KEUR 4,047 (previous year: KEUR 2,244) 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 2021, the cash flow from operating activities amounted to KEUR 31,386 and was thus at the level of the previous year (KEUR 30,947). The cash flow from investment activities was KEUR -21,249 as of the balance sheet date (previous year: KEUR -22,005). Payments for investments in intangible assets and payments for acquired companies were the focus of investment activities. The cash flow from financing activities amounted to KEUR -11,084 (previous year: KEUR -16,143) and mainly includes dividend payments, payments for the repayment of lease liabilities, incoming and outgoing payments for the sale and purchase of treasury shares and the acquisition of non-controlling interests of already fully consolidated companies as well as payments from capital increases.

__ 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 57.6% equity capital, 18.2% long-term debts and 24.3% 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 15,814,695.00 (previous year: EUR 15,752,231.00 is composed of the following: Common stocks: 15,814,695 shares (previous year: 15,752,231 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 share certificates. A total of 15,801,450 shares (previous year: 15,747,823) 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 12/05/2017, 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 30/04/2022, namely to purchase a maximum of 1,573,566 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 7 from the agenda of the Nexus AG Annual General Meeting, as published in the Federal Gazette on 17/05/2017. The hitherto existing authorization of 18/05/2015 was thus revoked.

It 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 31/03/2026 with approval of the Supervisory Board one time or several times up to a total of EUR 3,100,000 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 decide about the exclusion of stock rights of stockholders in the following cases:

+ For fractional amounts
+ For issue of new stocks to employees of the company or an affiliated company
+ For the issue of new shares against contribution in kind for the acquisition of companies, business units or holdings 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).

__ Contingent capital

The capital stock of the company was increased conditionally by EUR 1,400,000.00 via issue of up to 1,400,000 registered share certificates with an accounting par value of EUR 1.00 each (Conditional Capital 2012). The contingent capital serves for securing purchase rights from stock options, which were granted based on the empowerment of the annual general meeting of Nexus AG on 23/05/2012. The contingent capital increase will only be carried out insofar as stock options are issued, the bearers of these share options use their subscription rights and the Group does not offer treasury shares to fulfill subscription rights.

CORPORATE GOVERNANCE STATEMENT AND COMPLIANCE STATEMENT

The Group declaration about company management as well as compliance statement according to Section 161 of the German Stock Corporation Law (AktG) have been published at the company website at www.nexus-ag.de – Companies – Investor Relations – Corporate Governance.

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 and 289e HGB was published on the company website www.nexus-ag.de – Company – Investor Relations – Non-Financial Group Report.

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 AG 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 Currently, there are also risks from the COVID-19 pandemic. Although NEXUS successfully managed the pandemic risks in 2020 and 2021, the further course of the pandemic could result in reduced revenues, customer solvency issues, or staff availability issues. NEXUS has focused risk management on these issues. The opportunities and risks listed below pertain to both segments of the NEXUS Group.

__ Opportunity Report

There are decisive chances, which could entail a considerable change of the economic situation at NEXUS, in the market and industry environment as well as in the development of the pandemic. 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 strongly dependent on the further 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, global IT spending is expected to rise by 5.1% to USD 4.5 trillion next year. Even more significant growth is seen in the area of enterprise software, which is expected to increase by approx. 11.5%.

The current global growth expectations for information technologies in the healthcare sector are very positive. In some cases, growth rates of up to 14% are forecast for 2022. Other long-term forecasts project average growth of 15% between 2020 and 2027. Regardless of the actual growth increase, all forecasts for the healthcare IT market show very positive prospects for the coming years. Currently, the market is primarily influenced by the COVID-19 pandemic and the resulting 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. 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. Customers value NEXUS because we can fully focus on innovation and customer care as an independent company. We can take advantage of the multi-product and refinancing problems that our competitors currently have to deal with and present ourselves to the market as an agile and focused company. The order successes of recent years confirm this view. Nevertheless, the risks in our business remain. As in all previous years, the following continues to apply: However, if other companies are able to establish their products as standards in spite of the segmented market, the strategy of NEXUS Group as a supplier to small- and medium-sized companies as well as with an international presence will not be successful. Due to progressing consolidation, the possibility of a takeover by a competitor also continues to exist. 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 appropriate internal monitoring system as well as controlling instruments and risk management. 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.

__ Identification

NEXUS has identified the following risk groups:

+ Customer projects
+ Development projects
+ Lack of market acceptance of products
+ Expertise leaving the company
+ IT security and availability
+ Reputation
+ Data security and data protection
+ Occupational safety

+ Process risks

+ Regulatory and tax risks

+ Fraud Risk

+ Performance of subsidiaries

__ Organization

Reporting, documentation and development of measures are regulated in the risk manual of NEXUS Group. The Executive Board checks its implementation at regular intervals. In 2021, three risk reports were submitted to the Executive Board from the offices responsible for it, 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 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 communication 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 two segments Healthcare Software and Healthcare Services.

__ Valuation and control

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

Risk type	Probability of occurrence	Degree of financial impact
Operational risks		
Customer projects	High	Average
Development projects	High	Low
Lack of market acceptance of our products	Average	Average
Expertise leaving the company	Average	Low
IT security and availability	Low	Low
Reputation	Average	Average
Data security and data protection	Low	Low
Occupational safety	Low	Low
Legal and compliance risks		
Process risks	Low	Low
Regulatory and tax risks	Average	Average
Fraud risk	Low	Low
Financial risks		
Performance of subsidiaries	Average	Average

__ 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 NEXUS Group, especially when substantial advance performances are provided in large projects. Non-payment risk concentrations are created temporarily in the Group 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).

__ 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 innovation advance 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.

					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				

__ Expertise leaving the company

The development of NEXUS Group 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) on the IT system of NEXUS (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 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

The reputation risk can have serious material consequences for NEXUS and its subsidiaries and can arise due to the deterioration of the general financial position of NEXUS Group, 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. The European General Data Protection Regulation (EU GDPR) has been in force since 25/05/2018. Non-compliance with the provisions of the EU GDPR is defined as a risk. For the early detection of non-compliance with the legal regulations in data protection, a data protection officer was commissioned, who monitors compliance with the EU GDPR.

__ 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 is currently much more vulnerable than before in terms of the visibility of disputes and the desire to exploit our weaknesses. The impression is that NEXUS only needs to be put into a legal dispute to be able to put pressure on NEXUS. Significant risks could arise from suits brought by sales agents and employees, actions brought by shareholders for lack of equal treatment, and information breaches 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

There are regulatory risks for NEXUS Groups 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 accounting regulations (German Commercial Code [HGB], IFRS and tax law). These risks can have an impact on the operating business of NEXUS Group and thus have an impact on the software development of NEXUS Group 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 investor relations area. Furthermore, there is the risk of penalties imposed by the Federal Financial Supervisory Authority (BaFin) as well as the risk of back tax payments due to domestic and foreign audits. Changes in the accounting 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 annual financial statements is monitored centrally by the head of Finances as well as by the Executive Board of NEXUS. The double verification principle is maintained on principle. 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 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

Subsidiaries may face different risks due to over-indebtedness as well as liquidity and integration problems. Due to the great number of subsidiaries, these risks must be regarded as particularly serious, since the misalignment of individual subsidiaries can result in substantially influencing the NEXUS Group. 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.

__ 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 Group defines detailed measures for early risk detection, reporting and the respective risk holders.

__ 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. The monitoring of risks by unambiguous key figures (sales and EBT) enables a clear assessment of the 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. At the same time, management still sees considerable potential for improving the risk and chance position of NEXUS Group.

__ 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 principle is maintained on principle.

OUTLOOK FOR 2021

The topic of digitalization of the healthcare system has gained outstanding economic and political importance due to the challenges of the COVID-19 pandemic. The focus is on the often insufficient data from the healthcare system, which has made it difficult to assess measures with sufficient certainty as to their effect. There is widespread agreement among politicians, the public and those responsible in the healthcare system that rapid improvement in this area is imperative

The Hospital Future Act in Germany, the French program Ma Santé 2022 and similar programs in other European countries have launched extensive programs to improve the digital equipment in the healthcare system. For the first time, the digitization strategies of the public sector have been designed across sectors, i.e., general practitioners, rehabilitation facilities and patients are being integrated into the digital processes in addition to hospitals. This is a development that will sustainably improve the efficiency of health IT.

Due to the ongoing digitization programs, we have already seen a significant increase in demand for our services in 2021 and are facing a large number of calls for tenders in 2022. It is therefore to be expected that we will already realize many of these projects in 2022. As much as we are pleased with this development as a provider, it is to be feared that the positive development will be limited by the lack of potential for implementation in hospitals. In most of these hospitals, there is a lack of staff and organizational strength to achieve ambitious digitization goals. This same applies on our side. We are faced with the challenge of recruiting highly qualified professionals to implement the projects. A task that has become even more difficult in recent months, given the shortage of skilled workers. Uncertainties about the further course of investment could also arise if the financing of the projects becomes more difficult in many countries in the coming months. Financial shortages in public and hospital budgets could result in projects being postponed or canceled. The further course of the pandemic can also influence the current positive situation. In particular, problems with service delivery or service acceptance are to be feared if the Corona measures are maintained or extended.

We are starting 2022 with very positive expectations. We will closely monitor the risks and take action if necessary. In 2022 we will continue to focus on them. We need to implement our large projects with high quality, internationalize products and actively address new sales opportunities. For the NEXUS Group and both segments, the Executive Board expects slightly higher sales and a slight increase in EBT. Planning takes into account further investments in internationalization and the expansion of our product range. Should significant changes occur in the consolidated Group in 2022, this could result in a change in planning.

Nexus AG

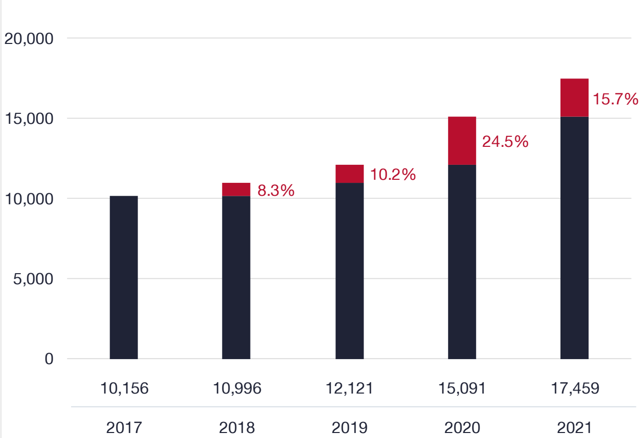
Donaueschingen 04/03/2022

The Executive Board

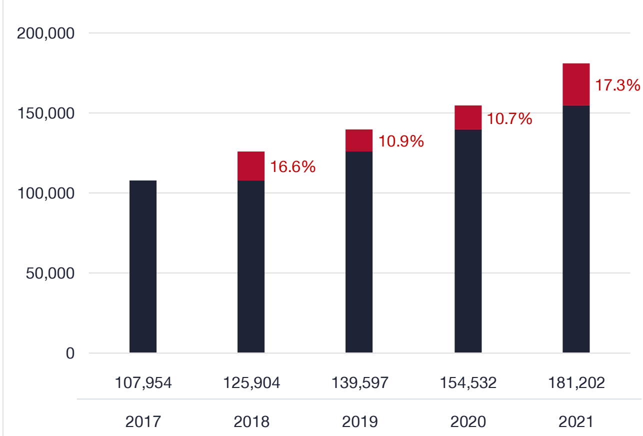
Dr. Ingo Behrendt Ralf Heilig Edgar Kuner

Economic key figures

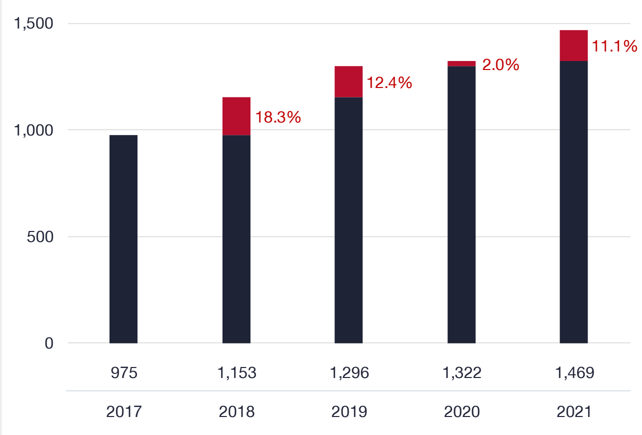
CONSOLIDATED NET INCOME IN KEUR
+ 15.7% in comparison to the previous year



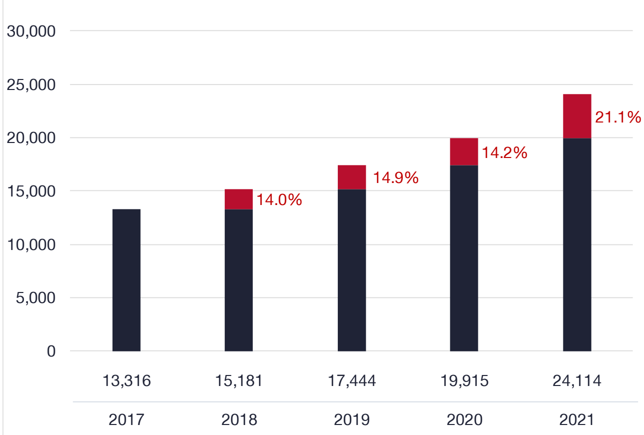
HEALTHCARE SOFTWARE SALES IN KEUR
+ 17.3% in comparison to the previous year



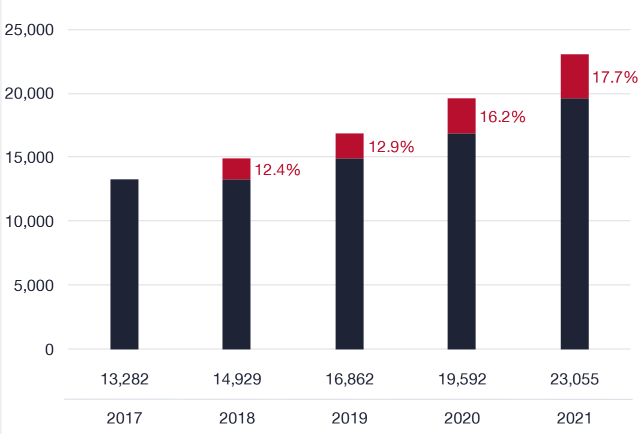
NUMBER OF EMPLOYEES
average number of employees and trainees



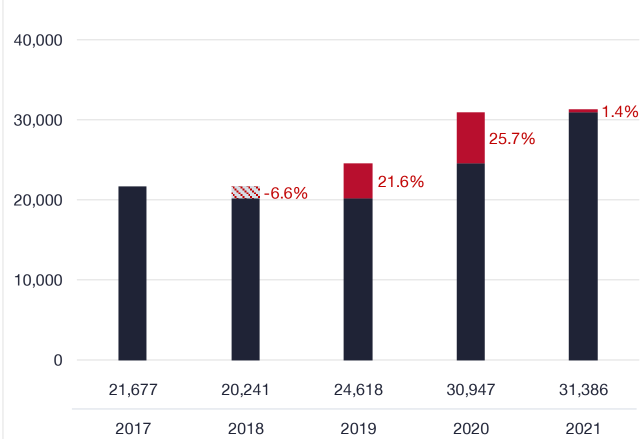
EBIT IN KEUR
+ 21.1% in comparison to the previous year



EBT IN KEUR
+ 17.7% in comparison to the previous year



CASHFLOW IN KEUR
from operating activities



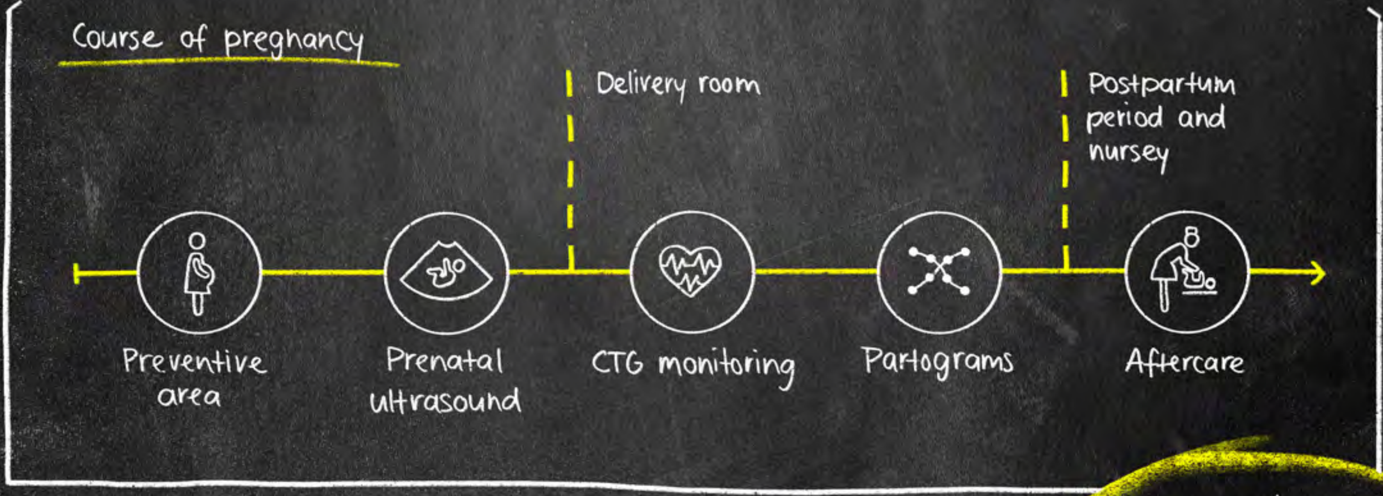
NEXUS/WOMEN'S HEALTHCARE & astraia

The health of women in focus

NEXUS / ASTRAIA is specialized in the needs of women and puts their health in the focus of their attention, both in the gynecological area and during pregnancy.

Pregnancy Process

Complete documentation from the first day of pregnancy until discharge from the maternity clinic.



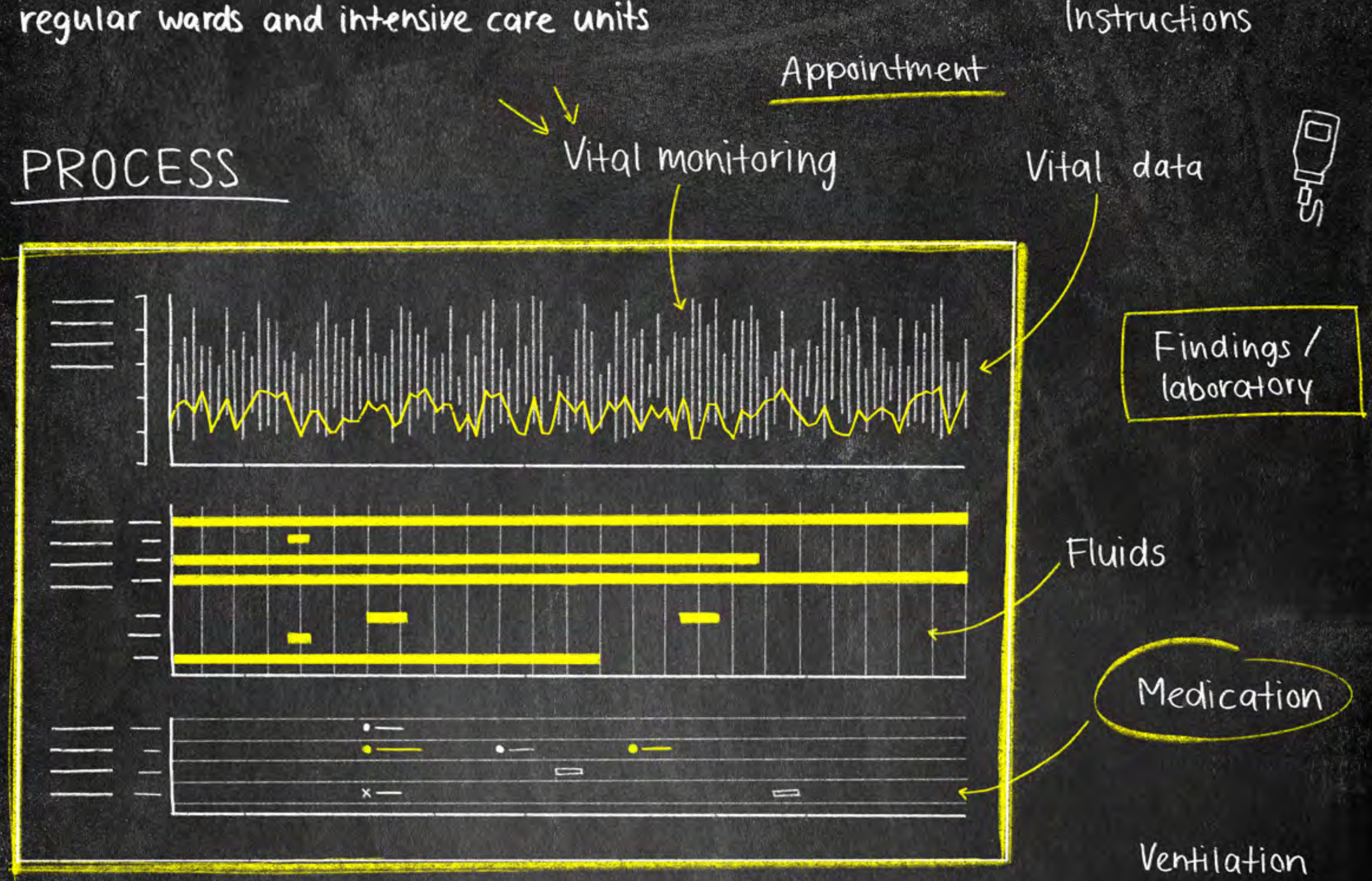
RESULT

- Digital delivery room and maximum safety (CTG monitoring, partograms, etc.)
- Risk minimization thanks to transparency in complete course of pregnancy
- Optimum care of women in the path through life in one patient record

The Hospital Chart

The special hospital chart (PDMS) for regular wards and intensive care units

PROCESS



TOOLS

Interactive graphic visualization of diagnoses, results and measures for patients.

Medical, nursing and therapeutic prescriptions for holistic treatment planning

Device linking, vital monitoring and fluid management

RESULT

The clinical dashboard → the central platform for displaying and controlling all relevant information for the complete treatment process.

IT Security ISMS

Information Security Management System

Cyber attacks, system failures, data leaks – what can be a big problem in personal life threatens complete operations in healthcare facilities and the lives of people in a worst-case scenario. Consequently, IT-Security allways needs to be taken into consideration when it is a question of digitalization in the healthcare sector.

IT Security concerns everyone!

- All relevant request catalogs can be displayed (e.g., B3S, BSI and DIN ISO)
- Create compliance reports with only one click at any time.

i

PROCESS

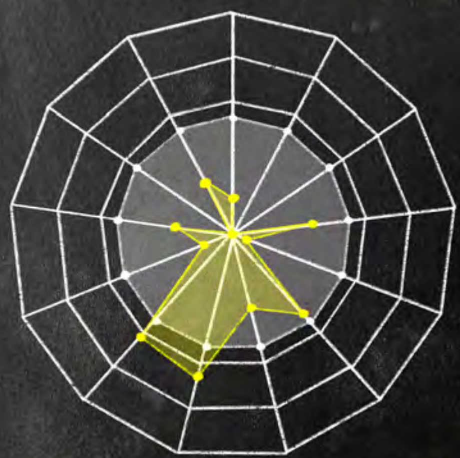
1 **PLAN**
Planning and spezifying requirements and risks

2 **DO**
Specify and implement measures

3 **CHECK**
Success checks and monitoring goals

4 **ACT**
Optimizing and improving

Integrated risk management



TOOLS

- Central database (linking all information)
- Reminding and task feature
- Overview lists (compliance report)

- Document routing
  Each request cyclically reminds you of the assessment
- Status reports
- Evaluations

- Linking with IT risk management
- Connection to full-featured audit management

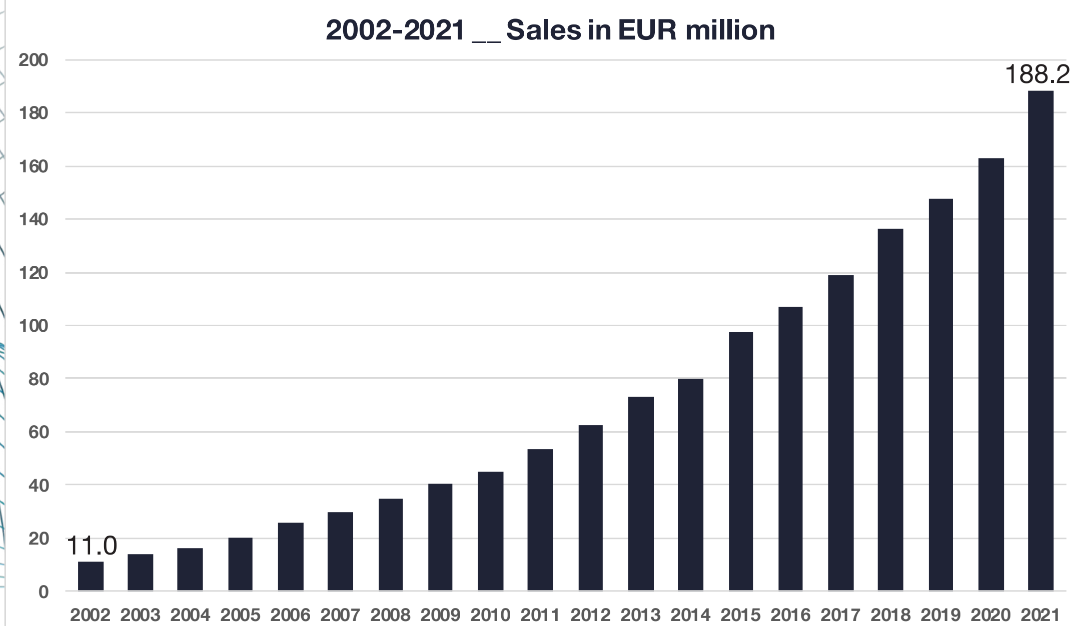
Patient data – compliant with protection act

RESULT

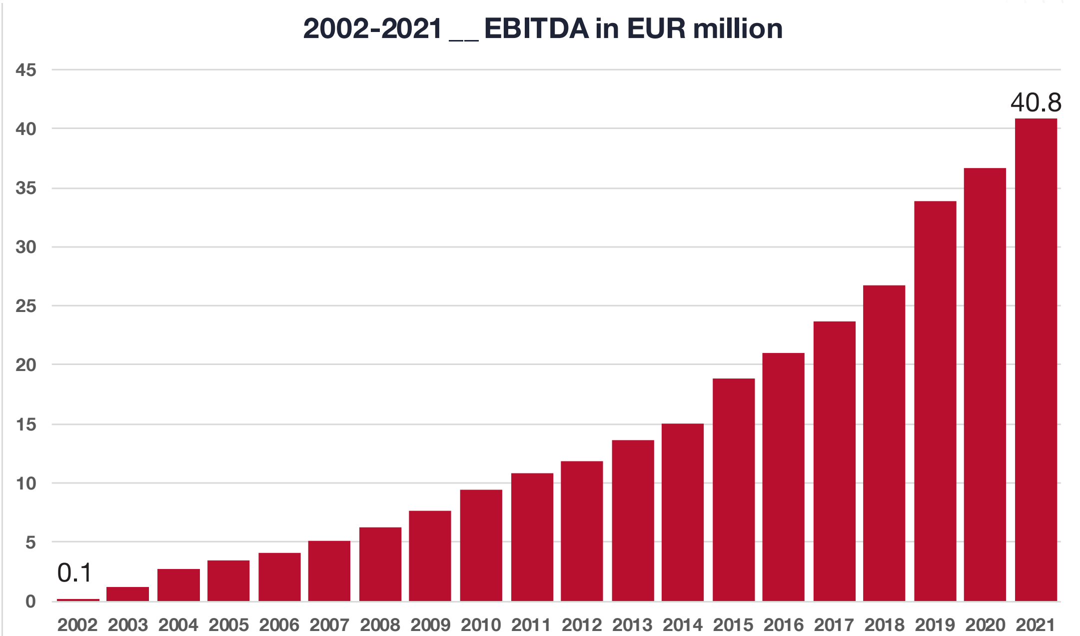
Secure IT infrastructure and eligible for subsidies according to the Hospital Future Act

Secure to the audit (audit report at one click)

Distribution of tasks to corresponding specialists nexus | ag



Nexus AG: 20 years of profitable growth and innovation



07 __ Consolidated Profit and Loss Account

	Appendix	01/01/2021-31/12/2021	01/01/2020-31/12/2020
		KEUR	KEUR
Revenue	1	188,178	162,944
Capitalized development costs		2,531	3,013
Other operating income	2	7,210	8,806
Cost of goods sold	3	31,614	24,361
Staff costs	4	108,993	97,100
Impairment Loss on Financial Assets	5	162	63
Other operating expenses	6	16,380	16,599
EBITDA		**40,770**	**36,640**
Depreciation		16,656	16,725
EBIT		**24,114**	**19,915**
Financial income	7	-	53
Financial expenses	8	1,059	376
EBT		**23,055**	**19,592**
Taxes	9	5,596	4,501
Consolidated net income		**17,459**	**15,091**
Consolidated net income apportioned to:			
– Shareholders of the Parent Company		17,153	14,916
– Non-controlling interests		306	175
Consolidated earnings per share			
Weighted average (undiluted) of issued shares in circulation (in thousands)	10	15,749	15,750
Weighted average (diluted) of issued shares in circulation (in thousands)	10	15,749	15,750
Undiluted	10	1.09	0.95
Diluted	10	1.09	0.95

08 __ Consolidated Statement of Comprehensive Income

	Appendix	01/01/2021-31/12/2021	01/01/2020-31/12/2020
		KEUR	KEUR
Consolidated net income		17,459	15,091
Other comprehensive income	21		
Items that will not be reclassified to profit / loss			
Remeasurement from pension plans recognised in equity	22	4,447	-1,499
Deferred taxes on revaluation from pension plans recognised in equity	16	-692	-30
Items that may be reclassified to profit / loss			
Currency translation differences		-12	-509
Deferred taxes on currency translation differences	16	104	35
Other comprehensive income before taxes		4,435	-2,008
Deferred taxes on other comprehensive income		-588	5
Other comprehensive income after taxes		3,847	-2,003
Consolidated income		**21,306**	**13,088**
Consolidated income apportioned to:			
– Shareholders of the Parent Company		20,995	12,913
– Non-controlling interests		311	175

09 __ Consolidated Balance Sheet

ASSETS	Appendix	31/12/2021	31/12/2020
Non-current assets		KEUR	KEUR
Goodwill	11	102,927	87,493
Other intangible assets	12	46,597	43,846
Fixed assets	13	11,938	9,862
Right-of-use assets	14	16,475	13,066
Contract assets	15	-	1,066
Deferred tax assets	16	2,788	3,309
Other financial assets	17	393	379
Total non-current assets		**181,118**	**159,021**
Current assets			
Inventories	18	1,691	2,051
Trade and other receivables	19	31,930	27,550
Contract assets	15	2,234	1,270
Other non-financial assets	20	3,670	4,185
Other financial assets	17	526	2,636
Cash and cash equivalents	25	26,172	26,449
Total current assets		**66,223**	**64,141**
Total assets		**247,341**	**223,162**

EQUITY AND LIABILITIES	Appendix	31/12/2021	31/12/2020
Equity		KEUR	KEUR
Subscribed capital	21	15,815	15,752
Capital reserves	21	34,470	33,307
Retained earnings	21	95,863	81,703
Other comprehensive income	21	-6,827	-10,669
Capital redemption reserve	21	-529	108
Shareholders' equity attributable to parent		**138,792**	**120,201**
Non-controlling interests		3,611	3,382
Total equity		**142,403**	**123,583**
Non-current liabilities			
Pension obligations	22	16,295	18,818
Deferred tax liabilities	16	10,363	9,815
Other financial liabilities	23	6,211	7,606
Lease liabilities	14/23	12,072	9,142
Total non-current liabilities		**44,941**	**45,381**
Current liabilities			
Accrued liabilities	24	6,016	9,085
Deferred liabilities	23	13,399	12,326
Other non-financial liabilities	23	21,549	12,181
Trade payables	23	5,043	8,650
Contract liabilities	23	4,047	2,244
Other financial liabilities	23	5,384	5,700
Lease liabilities	14/23	4,559	4,012
Total current liabilities		**59,997**	**54,198**
Balance sheet total		**247,341**	**223,162**

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 01/01/2020	21	15,752	32,987	71,268	-8,666
Remeasurement from pension plans recognised in equity		-	-	-	-1,494
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	-31
Currency translation differences		-	-	-	-513
Deferred taxes on currency translation differences		-	-	-	35
Other comprehensive income after taxes		-	-	-	-2,003
Consolidated net income		-	-	14,916	-
Consolidated income		-	-	14,916	-2,003
Dividend payouts		-	-	-2,835	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Issuance of treasury stock		-	-	-	-
Issue of own shares within the scope of share-based payment		-	-495	-	-
Access within the framework of share-based payment		-	815	-	-
Addition (+) and disposal (-) of non-controlling interests		-	-	-1,646	-
Equity capital as at 31/12/2020		15,752	33,307	81,703	-10,669
Equity capital as at 01/01/2021		15,752	33,307	81,703	-10,669
Remeasurement from pension plans recognised in equity		-	-	-	4,440
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	-691
Currency translation differences		-	-	-	-11
Deferred taxes on currency translation differences		-	-	-	104
Other comprehensive income after taxes		-	-	-	3,842
Consolidated net income		-	-	17,153	-
Consolidated income		-	-	17,153	3,842
Capital increase		63	843	-	-
Dividend payouts		-	-	-2,993	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Issuance of treasury stock		-	-	-	-
Access within the framework of share-based payment		-	320	-	-
Addition (+) and disposal (-) of non-controlling interests		-	-	-	-
Equity capital as at 31/12/2021		15,815	34,470	95,863	-6,827

	Capital redemption reserve	Shareholders' equity attributable to parent	Non-controlling interests	Total equity capital
	KEUR	KEUR	KEUR	KEUR
Equity capital as at 01/01/2020	173	111,514	3,621	115,135
Remeasurement from pension plans recognised in equity	-	-1,494	-5	-1,499
Deferred taxes on revaluation from pension plans recognised in equity	-	-31	1	-30
Currency translation differences	-	-513	4	-509
Deferred taxes on currency translation differences	-	35	-	35
Other comprehensive income after taxes	-	-2,003	-	-2,003
Consolidated net income	-	14,916	175	15,091
Consolidated income	-	12,913	175	13,088
Dividend payouts	-	-2,835	-	-2,835
Dividend payouts to non-controlling interests	-	-	-332	-332
Purchase of treasury stock	-685	-685	-	-685
Issuance of treasury stock	620	620	-	620
Issue of own shares within the scope of share-based payment	-	-495	-	-495
Access within the framework of share-based payment	-	815	-	815
Addition (+) and disposal (-) of non-controlling interests	-	-1,646	-82	-1,728
Equity capital as at 31/12/2020	108	120,201	3,382	123,583
Equity capital as at 01/01/2021	108	120,201	3,382	123,583
Remeasurement from pension plans recognised in equity	-	4,440	7	4,447
Deferred taxes on revaluation from pension plans recognised in equity	-	-691	-1	-692
Currency translation differences	-	-11	-1	-12
Deferred taxes on currency translation differences	-	104	-	104
Other comprehensive income after taxes	-	3,842	5	3,847
Consolidated net income	-	17,153	306	17,459
Consolidated income	-	20,995	311	21,306
Capital increase	-	906	-	906
Dividend payouts	-	-2,993	-	-2,993
Dividend payouts to non-controlling interests	-	-	-82	-82
Purchase of treasury stock	-840	-840	-	-840
Issuance of treasury stock	203	203	-	203
Access within the framework of share-based payment	-	320	-	320
Addition (+) and disposal (-) of non-controlling interests	-	-	-	-
Equity capital as at 31/12/2021	-529	138,792	3,611	142,403

11 __ Consolidated Cash Flow Statement

	Appendix	01/01/2021-31/12/2021	01/01/2020-31/12/2020
1. Cash flow from operating activities	25	KEUR	KEUR
EBIT		24,114	19,915
Depreciation (+) / amortization (-) on intangible assets and fixed assets		11,641	12,125
Depreciation on rights of use leased assets		5,015	4,600
Other non-operating expenses (+) / income (-)		-127	777
Increase (-) / decrease (+) in inventory		1,373	-1,192
Gains (-) / losses (+) on the disposal of assets and investments		1,685	-23
Increase (-) / decrease (+) in receivables and other assets		-1,121	175
Increase (+) / decrease (-) in provisions		-5,241	-1,397
Increase (+) / decrease (-) in liabilities		365	-406
Interest paid (-) / interest received (+)		-666	-316
Income taxes paid (-) / income tax refunds (+)		-5,652	-3,311
		31,386	**30,947**
2. Cash flow from investment activities	25		
Payments for investments in intangible assets and property, plant and equipment		-5,569	-5,345
Proceeds from the disposal of intangible assets and property, plant and equipment		43	376
Payments for the acquisition of consolidated companies less the funds acquired		-15,723	-17,036
		-21,249	**-22,005**
3. Cash flow from financing activities	25		
Incoming payments from capital increases		685	-
Payments for purchase of non-controlling interests for already consolidated companies		-2,410	-5,242
Payments for redemption of lease liabilities		-4,946	-4,546
Payments for redemption of loan liabilities		-701	-2,528
Dividends paid		-2,993	-2,835
Dividends paid to non-controlling interests		-82	-332
Payments for the purchase of treasury stock		-840	-699
Proceeds from the sale of treasury stock		203	39
		-11,084	**-16,143**
Change in cash and cash equivalents		-947	-7,201
Effect of exchange rate changes on cash and cash equivalents		670	117
Cash and cash equivalents at the start of the period		**26,449**	**33,533**
Cash and cash equivalents at the end of the period		**26,172**	**26,449**
Composition of cash and cash equivalents			
Cash and bank balances		26,172	26,449
		26,172	**26,449**

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 “Healthcare Software” and “Healthcare Service” 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 04/03/2022. Publication is after checking and approving by the Supervisory Board on 08/03/2022.

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 2021 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 31/12/2021 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 1.0333 CHF / EUR (previous year: 1.0811 CHF / EUR), the consolidated statement of comprehensive income with the average exchange rate of 1.0811 CHF / EUR (previous year: 1.0704 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 4.5944 PLN / EUR (previous year: 4.5566 PLN / EUR), the consolidated statement of comprehensive income with the average exchange rate of 4.5660 PLN / EUR (previous year: 4.4429 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 1.1320 USD / EUR (previous year: 1.2275 USD / EUR), the consolidated statement of comprehensive income with the average exchange rate of 1.0811 USD / EUR (previous year: 1.1421 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.

In the reporting year, the item impairment losses on financial assets was added. The previous year's figures were adjusted for reasons of comparability. In doing so, KEUR 63 was reclassified from the item other operating expenses to the item impairment losses from financial assets.

In addition, for reasons of clarity of the consolidated financial statements, it was decided to supplement or combine items in the balance sheet. Income tax receivables (previous year: KEUR 1,758) were combined in the item other non-financial assets. Current financial assets (previous year: KEUR 1,728) were combined in the item other financial assets. Tax liabilities (previous year: KEUR 2,432) and deferred revenue (previous year: KEUR 6,708) were combined in the item other non-financial liabilities. The item deferred liabilities (previous year: TEUR 12,326; included in the item other financial liabilities) was newly included in the balance sheet. The previous year has been adjusted accordingly.

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 IFRS 4	Insurance Contracts– Application of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01/01/2021	No effects
Amend. IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Reform of reference interest rates (Phase 2)	01/01/2021	No effects
Amendments to IFRS 16	Leasing relations Covid-19-related rental concessions after 30/06/2021	01/01/2021	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 has been given by the date of release for publication			
IFRS 17 and Amendments to IFRS 17	insurance contracts	01/01/2023	No effects
Amendments to IFRS 3	Business combinations – Reference to the master concept	01/01/2022	Principle significance
Amendments to IAS 16	Property, plant and equipment – Revenue before intended use	01/01/2022	No effects
Amendments to IAS 37	Accrued liabilities, contingent liabilities and contingent claims – onerous contracts – costs of fulfilling a contract	01/01/2022	Principle significance
Annual improvement process (Cycle 2018- 2020)	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	01/01/2022	No effects
EU Endorsement is still pending.			
Amendments to IAS 1	Presentation of the financial statements – short- or long-term debt classification and IFRS practice Statement 2: Disclosure of accounting policies	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	Taxes – deferred taxes related to assets and liabilities that arise from a single transaction	01/01/2023	Principle significance
Amendments to IFRS 17	Insurance contracts – presentation of comparative information when IFRS 17 and IFRS 9 are applied for the first time	01/01/2023	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) in the sense of IAS 32 and IAS 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.

The securities did not pass the SPPI test and are therefore classified as FVPL. A value change resulting from the subsequent measurement, including interest and dividends, is recognized in the profit and loss statement

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 and capitalized development 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 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.

__ 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.

__ 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 2020 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.

__ Deferred revenue

Prepayments from customers are shown as deferred revenue. As soon as the contractual services are provided, they are recognized as revenue.

__ 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 / work 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.

__ 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.

__ 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.

__ 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:

Healthcare Software	2021		2020	
	KEUR	%	KEUR	%
Germany	96,334	53.2	80,594	52.2
Switzerland / Lichtenstein	36,870	20.4	33,342	21.5
The Netherlands	21,321	11.8	18,055	11.7
Poland	8,985	5.0	7,230	4.7
France	6,632	3.7	6,377	4.1
Austria	3,274	1.8	2,285	1.5
Other regions	7,720	4.1	6,649	4.3
Total	**181,136**	**100.0**	**154,532**	**100.0**

Healthcare Service	2021		2020	
	KEUR	%	KEUR	%
Germany	6,710	95.3	8,017	95.3
Switzerland / Lichtenstein	185	2.6	269	3.2
Austria	28	0.4	32	0.4
Other regions	119	1.7	94	1.1
Total	**7,042**	**100.0**	**8,412**	**100.0**

of which attributed to:

	2021		2020	
	KEUR	%	KEUR	%
Services and software maintenance	145,403	77.3	127,516	78.3
Licenses	30,152	16.0	24,782	15.2
Deliveries	12,623	6.7	10,646	6.5
Total	**188,178**	**100.0**	**162,944**	**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 2,244 (previous year: KEUR 1,850) reported in contract liabilities at the beginning of the period, KEUR 1,761 (previous year: KEUR 1,300) 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 1,325 (previous year: KEUR 1,613).

Unfulfilled performance obligations arise in the context of multi-component contracts. The Group assumes that these will largely be met in 2022.

2. OTHER OPERATING INCOME

Other operating income is composed of the following:

	2021	2020
	KEUR	KEUR
Revenues from the reversal of provisions	3,337	961
Non-cash benefits	1,898	1,773
Revenues from purchase price adjustments	962	2,625
Miscellaneous	391	168
Revenues from the derecognition of current liabilities	319	271
Income from Foreign currency gains	303	300
Reimbursement agreements related to company acquisitions	-	2,708
	7,210	**8,806**

3. COST OF GOODS SOLD AND ASSOCIATED SERVICES

	2021	2020
	KEUR	KEUR
Costs for associated goods	16,511	16,087
Costs for associated services	15,103	8,274
	31,614	**24,361**

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 STAFF COSTS

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

	2021	2020
Employees	1,439	1,295
Senior staff	30	27
	1,469	**1,322**

Staff costs increased as follows over the reporting period:

	2021	2020
	KEUR	KEUR
Salaries and wages	92,183	80,881
Social security contributions and expenses for pension costs and support	16,810	16,219
	108,993	**97,100**

5. IMPAIRMENT LOSS

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

	2021	2020
Trade and other receivables		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	920	872
Changes in impairments	177	48
Impairment due to credit risks as at 31/12/	1,097	920

	2021	2020
Contract assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	34	7
Changes in impairments	-13	27
Impairment due to credit risks as at 31/12/	21	34

	2021	2020
Other Financial Assets		
	KEUR	KEUR
Impairments from credit risks as at 01/01/	5	11
Changes in impairments	-	-6
Impairments from credit risks as at 31/12/	5	5

	2021	2020
Cash equivalents		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	28	34
Changes in impairments	-2	–6
Impairments from credit risks as at 31/12/	26	28

	2021	2020
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	987	924
Changes in impairments	162	63
Impairments from credit risks as at 31/12/	1,149	987

6. OTHER OPERATING EXPENSES

Other operating expenses are composed of the following:

	2021	2020
	KEUR	KEUR
Operating costs	2,929	2,519
Distribution costs	3,280	3,039
Administrative costs	7,847	7,219
Other operating expenses	2,324	3,822
	16,380	**16,599**

Currency loses in the amount of KEUR 605 (previous year: KEUR 340) 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:

	2021	2020
	KEUR	KEUR
Audit services	224	231
- From the previous year	10	20
Other services	37	49
	261	**280**

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:

	2021	2020
	KEUR	KEUR
Income from securities	-	26
Interest income from bank deposits	-	2
Other interest and similar income	-	25
	-	**53**

8. FINANCIAL EXPENSES

	2021	2020
	KEUR	KEUR
Interest expenses from rights of use	290	195
Other interest and similar expenses	762	134
Miscellaneous	7	47
	1,059	**376**

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 2021, 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:

	2021	2020
	KEUR	KEUR
Current tax expenses	-6,734	-4,461
– Current year	-6,865	-4,491
– Previous years	131	30
Deferred tax expenses / income	1,138	-40
– Development / reversal of deferred differences	1,138	-40
	-5,596	**-4,501**

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 15.0% plus the solidarity surcharge, namely 15.82% in total, was recognised for the Group tax burden, and rates between 11.67% and 17.16% were recognised for trade tax, which differs depending on the municipality. Foreign income tax rates are between 15.0% and 26.50%. The reported tax expenses deviated from the projected tax expenses calculated on the application of the nominal tax rate for Nexus AG of 29.83% (previous year: 29.98%) 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:

	2021	2020
	KEUR	KEUR
Earnings before taxes	23,055	19,592
Projected tax expenses 29.83% (previous year: 29.98%)	-6,911	-5,873
Change in non-capitalised deferred taxes on loss carryforwards	-483	409
Tax rate differences amongst subsidiaries	1,276	660
Deviations from non-deductible expenses	-100	-16
Taxes and other deviations from previous years	622	319
Tax expenses according to the consolidated profit and loss statement	**-5,596**	**-4,501**
Effective tax expenses (in %)	24.3	23.0

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 15,749 k (previous year: 15,750 k) shares was used to calculate the diluted earnings per share.

Presentation of earnings per share:

	2021	2020
Consolidated net income (Group share) in KEUR	17,153	14,916
Undiluted average of issued shares in circulation (in thousands)	15,749	15,750
Earnings per share in EUR (undiluted)	1.09	0.95
Diluted average of issued shares in circulation (in thousands)	15,749	15,750
Earnings per share in EUR (diluted)	1.09	0.95

The weighted average of ordinary shares (undiluted and diluted) for the fiscal years 2021 and 2020 has been calculated as follows:

	Common shares		Buy-backs (-) Treasury shares		Issuance (+) Treasury shares		Total Common shares	
	2021	2020	2021	2020	2021	2020	2021	2020
January	15,747,823	15,748,971	-	-	-	-	15,747,823	15,748,971
February	15,747,823	15,748,971	-	-	-	-	15,747,823	15,748,971
March	15,747,823	15,748,971	-	-	-	3,260	15,747,823	15,752,231
April	15,747,823	15,752,231	-	-	-	-	15,747,823	15,752,231
May	15,747,823	15,752,231	-	1,800	1,157	-	15,748,980	15,750,431
June	15,748,980	15,750,431	-	-	-	-	15,748,980	15,750,431
July	15,748,980	15,750,431	-	-	-	258	15,748,980	15,750,689
August	15,748,980	15,750,689	4,418	-	161	-	15,744,723	15,750,689
September	15,744,723	15,750,689	3,150	-	865	-	15,742,438	15,750,689
October	15,754,902	15,750,689	3,550	5,723	98	176	15,751,450	15,745,142
November	15,751,450	15,745,142	-	7,878	-	559	15,751,450	15,737,823
December	15,801,450	15,737,823	-	-	-	10,000	15,801,450	15,747,823
Total			**11,118**	**15,401**	**2,281**	**14,253**		
Average (undiluted)							15,748,580	15,749,928
Average (diluted)							15,748,580	15,749,928

11. GOODWIL

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 25 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:

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)	
		2021	2020	2021	2020	2021	2020
NEXUS / DE (Germany)	Nexus Deutschland GmbH NEXUS / MARABU GmbH nexus/qm GmbH Nexus / IPS GmbH NEXUS SWISSLAB GmbH Nexus AG	8	8	10.16	10.35	14,336	14,336
NEXUS / DIS (Diagnostic Systems)	nexus/dis GmbH DC-Systeme Informatik GmbH E&L medical systems GmbH NEXUS / CHILI GmbH ifa systems AG Sophrona Solutions Inc. ifa united i-tech Inc. ifa-systems informationssysteme für augenärzte GmbH Inoveon Corp. ASTRAIA Software GmbH	7	8	10.28	10.44	27,445	17,247

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)	
		2021	2020	2021	2020	2021	2020
	NEXUS Schweiz AG						
	NEXUS Nederland B.V.						
	Creativ Software AG						
	highsystem ag						
	osoTec GmbH						
	SINAPSI Sagl						
	ANT-Informatik AG						
	ANT-Informatik GmbH						
NEXUS / ROE (Rest of Europe)	NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H.	9	5	9.05	9.16	58,293	53,057
	Nexus/France S.A.S.						
	nexus/cso GmbH						
	ITR Software GmbH						
	NEXUS SISINF SL						
	NEXUS POLSKA Sp. z o.o.						
	RVC Medical IT Holding B.V.						
	RVC Medical IT B.V						
	RVC Medical IT N.V.						
	RVC Medical IT GmbH						
NEXUS/ CMS (Consulting & Managed Services)	NEXUS / CLOUD IT GmbH	3	3	9.98	10.23	2,853	2,853
	NEXUS / ENTERPRISE SOLUTIONS GmbH						
Total						**102,927**	**87,493**

A growth rate of zero 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						
	01/01/2021	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	87,670	14,349	1,085	-	-	-	103,104
Total	**87,670**	**14,349**	**1,085**	**-**	**-**	**-**	**103,104**

	Cumulated depreciation						Carrying amount	
	01/01/2021	Currency changes	Inflows	Reclassification	Outflows	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	102,927	87,493
Total	**177**	**-**	**-**	**-**	**-**	**177**	**102,927**	**87,493**

	Procurement and conversion costs						
	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	74,195	13,982	-507	-	-	-	87,670
Total	**74,195**	**13,982**	**-507**	**-**	**-**	**-**	**87,672**

	Cumulated depreciation						Carrying amount	
	01/01/2020	Currency changes	Inflows	Reclassification	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	87,493	74,018
Total	**177**	**-**	**-**	**-**	**-**	**177**	**87,493**	**74,018**

12. OTHER INTANGIBLE ASSETS

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

	Procurement and conversion costs					
	01/01/2021	Inflows from business combinations within the Group	Currency changes	Inflows	Outflows	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	7,125	-	61	641	206	7,621
Development costs	63,049	-	153	2,531	641	65,092
Customer relationships / technology	50,052	9,184	390	-	910	58,716
Trademark rights	8,788	-	24	-	-	8,812
Total	**129,016**	**9,184**	**628**	**3,172**	**1,757**	**140,241**

	Cumulated depreciation					Carrying amount	
	01/01/2021	Currency changes	Inflows	Outflows	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	5,937	53	762	62	6,690	931	1,188
Development costs	51,440	153	4,070	641	55,022	10,070	11,609
Customer relationships / technology	27,791	256	4,795	910	31,932	26,784	22,261
Markenrechte	-	-	-	-	-	8,812	8,788
Total	**85,168**	**462**	**9,627**	**1,613**	**93,644**	**46,597**	**43,846**

	Procurement and conversion costs					
	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Outflows	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	6,492	163	-53	526	1	7,125
Development costs	60,039	-	-3	3,013	-	63,049
Customer relationships / technology	38,647	11,082	-112	435	-	50,052
Trademark rights	8,786	-	2	-	-	8,788
Total	**113,964**	**11,245**	**-166**	**3,974**	**1**	**129,016**

	Cumulated depreciation					Carrying amount	
	01/01/2020	Currency changes	Inflows	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	5,493	-41	486	1	5,937	1,188	999
Development costs	46,374	11	5,055	-	51,440	11,609	13,665
Customer relationships / technology	23,420	2	4,369	-	27,791	22,261	15,227
Trademark rights	-	-	-	-	-	8,788	8,786
Total	**75,287**	**-28**	**9,910**	**1**	**85,168**	**43,846**	**38,677**

__ Research and Development

Total expenses for developments were KEUR 34.633 in 2021 (previous year: KEUR 27.592). Of the total development expenses, KEUR 2.531 (previous year: KEUR 3.013) were capitalized.

13. PROPERTY, PLANT AND EQUIPMENT, AND DEVELOPMENT OF FIXED ASSETS

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 0). The development of fixed assets and property, plant and equipment is included in the following assets analysis:

	Procurement and conversion costs						
	01/01/2021	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,321	-	10	53	-	-	1,384
Other operating supplies and equipment	9,516	284	122	1,686	-	665	10,943
Properties, leasehold rights and buildings	5,779	1,840	-	382	-	-	8,001
Facilities under construction	14	-	-	-	-	14	-
Total	**16,630**	**2,124**	**132**	**2,121**	**-**	**679**	**20,328**

	Cumulated depreciation					Carrying amount	
	01/01/2021	Currency changes	Inflows	Outflows	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	700	7	143	-	850	534	621
Other operating supplies and equipment	5,604	221	1,694	620	6,899	4,044	3,912
Properties, leasehold rights and buildings	464	-	177	-	641	7,360	5,315
Facilities under construction	-	-	-	-	-	-	14
Total	**6,768**	**228**	**2,014**	**620**	**8,390**	**11,938**	**9,862**

	Procurement and conversion costs						
	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,285	-	1	39	-	4	1,321
Other operating supplies and equipment	10,557	268	-10	1,134	-	2,433	9,516
Properties, leasehold rights and buildings	4,867	-	-	198	714	-	5,779
Facilities under construction	728	-	-	-	-714	-	14
Total	**17,437**	**268**	**-9**	**1,371**	**-**	**2,437**	**16,630**

	Cumulated depreciation					Carrying amount	
	01/01/2020	Currency changes	Inflows	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	527	-	177	4	700	621	758
Other operating supplies and equipment	5,797	-12	1,892	2,073	5,604	3,912	4,760
Properties, leasehold rights and buildings	319	-	145	-	464	5,315	4,548
Facilities under construction	-	-	-	-	-	14	728
Total	**6,643**	**-12**	**2,214**	**2,077**	**6,768**	**9,862**	**10,794**

14. LEASES

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:

	Procurement and conversion costs						
	Interest rate on capital borrowed in other countries	01/01/2021	Inflows from business combinations within the Group	Currency changes	Inflows	Outflows	31/12/2021
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	1.82%	13,758	152	115	7,149	2,215	18,959
Leases for motor vehicles	1.57%	6,125	23	61	1,377	1,397	6,189
Leases for printers, servers, hardware an miscellaneous	1.67%	264	—	6	39	162	147
Total		**20,147**	**175**	**182**	**8,565**	**3,774**	**25,295**

	Accumulated depreciations					Carrying amount	
	01/01/2021	Currency changes	Inflows	Outflows	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	4,049	68	3,043	1,839	5,321	13,638	9,709
Leases for motor vehicles	2,854	36	1,910	1,390	3,410	2,779	3,271
Leases for printers, servers, hardware an miscellaneous	178	4	62	155	89	58	86
Total	**7,081**	**108**	**5,015**	**3,384**	**8,820**	**16,475**	**13,066**

	Procurement and conversion costs						
	Interest rate on capital borrowed in other countries	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Outflows	31/12/2020
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	1.88%	9,674	1,190	13	5,612	2,731	13,758
Leases for motor vehicles	1.59%	4,637	564	8	1,495	579	6,125
Leases for printers, servers, hardware an miscellaneous	1.66%	224	-	1	80	41	264
Total		**14,535**	**1,754**	**22**	**7,187**	**3,351**	**20,147**

	Accumulated depreciations					Carrying amount	
	01/01/2020	Currency changes	Inflows	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	2,212	16	2,513	660	4,049	9,709	7,462
Leases for motor vehicles	1,429	9	1,998	564	2,854	3,271	3,208
Leases for printers, servers, hardware an miscellaneous	103	1	90	14	178	86	121
Total	**3,744**	**26**	**4,601**	**1,238**	**7,081**	**13,066**	**10,791**

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 2021:

Interest expenses, liabilities, lease payments 2021	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	237	3,004	10,756	231
Leases for motor vehicles	52	1,521	1,290	63
Leases for printers, servers, hardware and miscellaneous	1	34	26	16
Total	**290**	**4,559**	**12,072**	**310**

Interest expenses, liabilities, lease payments 2020	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	125	2,238	7,325	534
Leases for motor vehicles	68	1,733	1,772	23
Leases for printers, servers, hardware and miscellaneous	2	41	45	104
Total	**195**	**4,012**	**9,142**	**661**

Cash outflows	2020	2021	2022	2023-2026	from 2027
	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	3,152	3,441	3,231	8,084	3,224
Leases for motor vehicles	2,153	2,026	1,557	1,302	-
Leases for printers, servers, hardware and miscellaneous	97	80	35	26	-
Total	**5,402**	**5,547**	**4,823**	**9,412**	**3,224**

15. CONTRACT ASSETS

Contract assets		31/12/2021
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	2,256	-
Risk provisions according to IFRS 9	-22	-
Total	**2,234**	**-**

Contract assets		31/12/2020
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	1,288	1,082
Risk provisions according to IFRS 9	-18	-16
Total	**1,270**	**1,066**

For the determination of risk provisions, see Note 28.

16. DEFERRED TAXES

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

As at 31/12/2021, 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 514 (previous year: KEUR 1,573) domestically, in addition to trade tax loss carryforwards, which amounted to KEUR 237 (previous year: KEUR 1,423. Foreign Group companies reported tax loss carryforwards amounting to KEUR 409 (previous year: KEUR 258). 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	
	31/12/2021	31/12/2020	01/01/2021-31/12/2021	01/01/2020-31/12/2020
	KEUR	KEUR	KEUR	KEUR
Deferred tax assets				
Tax loss carryforwards	385	923	-975	-995
Measurement differences for tax goodwill	4	12	-	-
Measurement differences for pensions	3,220	3,558	-287	-27
Measurement differences for provisions	101	201	-94	64
Measurement differences for securities	-	88	-88	-17
	3,710	**4,782**	**-1,444**	**-975**
Settlement with deferred tax liabilities / expenses	-922	-1,473	1,444	975
Total deferred tax assets	**2,788**	**3,309**	**-**	**-**
Deferred tax liabilities				
Development Costs	2,977	3,386	477	341
Measurement differences for receivables	101	61	-3	16
Technology / expertise	7,879	6,827	1,133	937
Project orders	-99	372	626	-272
Property and buildings	127	-	2	-
Accrued liabilities	-	-	-	-19
Other liabilities	300	642	347	-67
	11,285	**11,288**	**2,582**	**936**
of which settled with deferred tax receivables/income	-922	-1,473	-1,444	-975
Total deferred tax liabilities	**10,363**	**9,815**	**1,138**	**-39**

	2021	2020
	KEUR	KEUR
Adjustment of deferred taxes as profit or loss	1,138	-39
Adjustment of deferred taxes entered in other comprehensive income under pension provisions	-692	-30
Adjustment of deferred taxes entered in other comprehensive income due to currency translations	104	35
Inflows and outflows of deferred taxes in the context of inflows to consolidated companies	-1,619	-2,753
Adjustments to deferred taxes in balance sheet items	**-1,069**	**-2,787**

17. OTHER FINANCIAL ASSETS AND CURRENT FINANCIAL ASSETS

Other financial assets and current financial assets comprise the following:

	31/12/2021	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	65	-
Security deposits	275	337
Travel expense advances	57	-
Miscellaneous	130	56
Total other financial assets	**526**	**393**

	31/12/2020	
	Current (< 1 year) KEUR	Non-current (> 1 year) KEUR
Other financial assets		
Loans to employees and third parties	153	-
Security deposits	252	379
Travel expense advances	49	-
Transfer accounts with authorities and banks	126	-
Transfer accounts with authorities and banks	1,728	-
Miscellaneous	328	-
Total other financial assets	**2,636**	**379**

Please refer to Note 28 for the calculation of risk provisions for other financial assets.

18. INVENTORIES

Inventories are composed of the following:

	31/12/2021	31/12/2020
	KEUR	KEUR
Finished good and services	1,691	2,042
Advances paid	-	9
	1,691	**2,051**

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

	2021	2020
	KEUR	KEUR
Gross inventory	37,754	32,573
Risk provisions according to IFRS 9	–1,097	–920
Revenue adjustment for items still under clarification	–4,727	–4,103
Total	**31,930**	**27,550**

Non-current receivables with a payment due date of over one year amounting to KEUR 29 (previous year: KEUR 42) were listed under trade and other receivables.

Trade and other receivables in the amount of KEUR 336 (previous year: KEUR 1,361) were derecognised in the fiscal year 2021. Incoming payments on derecognised receivables amounted to KEUR 15 (previous year: KEUR 1). Trade and other receivables were impaired with a nominal value of KEUR 5,824 (previous year: KEUR 5,023) on 31/12/2021.

20. OTHER NON-FINANCIAL ASSETS

Other non-financial assets are composed of the following:

	31/12/2021	31/12/2020
	KEUR	KEUR
Prepaid expenses and deferred income	1,142	1,878
Income tax receivables	2,069	1,758
Receivables within the scope of social security	13	34
Advanced payments	24	75
Value added tax	224	406
Wage and salary advances	49	19
Other	149	15
Total other non-financial assets	**3,670**	**4,185**

21. EQUITY

Equity amounted to KEUR 142,403 (previous year: KEUR 123,583) on the reporting date. Please refer to the statement of changes in Group equity for more information.

a) __ Subscribed Capital

As at 31/12/2021, subscribed capital is split into 15,814,695 (previous year: 15,752,231 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 corresponding Note.

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.

e) __ Authorised Capital

In partial utilization of the authorization, resolved on 27/04/2021 by the Annual Meeting of Nexus AG and still available after partial utilization, to increase the share capital of the company once or several times in the period up to 31/03/2026 by up to a total of EUR 3,100,000.00 with the approval of the Supervisory Board by issuing new bearer shares (no-par value bearer shares) denominated in the bearer against cash and / or non-cash contributions (Authorized Capital 2021), the Executive Board decided on 06/09/2021 with the approval of the Supervisory Board on 07/09/2021 to increase the share capital of the company against cash contributions, excluding the subscription rights of the shareholders, from currently EUR 15,752,231.00 by EUR 37,000.00 to up to EUR 15,789,231.00 against cash contributions by issuing up to 37,000 new no-par value bearer shares with a pro rata amount of EUR 1.00 per share. All new shares were offered for subscription only to employees of the company and affiliated companies of the company. The registration of the implementation of the capital increase was made in the commercial register in Freiburg i. Br. (Commercial Register No. 602434) on 4/10/2021. Capital stock increased by EUR 12,464.00 to EUR 15,764,695.00. As a result, authorized capital 2021 is still EUR 3,087,536.00 after partial exploitation. The selling price amounted to a total of EUR 855,030.40, and the proceeds from the sale (EUR 842,566.40) were allocated to capital reserves.

In partial utilization of the authorization, resolved on 27/04/2021 by the Annual Meeting of Nexus AG and still available after partial utilization, to increase the share capital of the company once or several times in the period up to 31/03/2026 by up to a total of EUR 3,087,536.00 with the approval of the Supervisory Board by issuing new bearer shares (no-par value bearer shares) denominated in the bearer against cash and / or non-cash contributions (Authorized Capital 2021), the Executive Board decided on 06/122021 with the approval of the Supervisory Board on the same day to increase the share capital of the company against cash contributions, excluding the subscription rights of the shareholders, from currently EUR 15,764,695.00 by EUR 50,000.00 to up to EUR 15,814,695.00 against cash contributions by issuing up to 50,000 new no-par value bearer shares with a pro rata amount of EUR 1.00 per share. The registration of the implementation of the capital increase was made in the commercial register in Freiburg i. Br. (Commercial Register No. 602434) on 9/12/2021. Capital stock increased by EUR 50,000.00 to EUR 15,814,695.00. As a result, authorized capital 2021 is still EUR 3,037,536.00 after partial exploitation. The selling price amounted to a total of EUR 50,000.00, and the proceeds from the sale (EUR 50,000.00) were allocated to share capital.

No significant additional costs were incurred as part of both capital increases.

f) __ Contingent Capital and Stock Option Plans (SOP)

The Group's contingent capital was increased by EUR 1,400,000.00 with the resolution of the Annual General Meeting on 23/05/2012. The share capital was contingently increased by EUR 1,400,000.00 in no-par value bearer shares for the implementation of a share buy-back initiative.

g) __ Own shares

The own shares were deducted with the total procurement costs in one sum from equity (cost method). As of 31/12/2021, the value of the own shares was KEUR -529 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 25/10/2016 decided. In the fiscal year 2016, share certificates without a par value were acquired at acquisition costs of KEUR 296. In the fiscal year 2017,10,321 share certificates without a par value were acquired at a cost of KEUR 240. In the fiscal year 2018, 52,579 share certificates without a par value were purchased at a price of KEUR 1,345. In the fiscal year 2019, 16,602 share certificates without a par value were purchased at a price of KEUR 424. In the fiscal year 2020, 15,401 share certificates without a par value were purchased at a price of KEUR 699. In the fiscal year 2021, 11,118 share certificates without a par value were purchased at a price of KEUR 782.

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 01/01/2016	4,760
18/05/2015	30/04/2020	1,573,566	2016	-4,844
			2016	16,056
			2017	-1,100
			2017	2,699
12/05/2017	30/04/2022	1,573,566	2017	-1,637
			2017	7,622
			2018	-36,750
			2018	52,579
			2019	-52,727
			2019	16,602
			2020	-14,253
			2020	15,401
			2021	-2,281
			2021	11,118
			Inventory as at 31/12/2021	**13,245**

__ 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 57.6% (previous year: 55.4%) on the balance sheet date. Debt financing almost exclusively pertains to liabilities resulting from business operations. There are no interest-bearing current financial liabilities.

In May 2021, a dividend of EUR 0.19 was paid on the 15,747,823 no-par value bearer shares with dividend rights. A dividend pay-out of EUR 0.20 per no-par value bearer share with dividend rights was proposed for the fiscal year 2021.

22. 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 GmbH (formerly nexus / switspot) 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 Federal War Victims Relief Act (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 the Swiss companies NEXUS Schweiz AG, highsystems AG and Creativ Software AG, there were plan changes regarding the reduction of the conversion rates in 2021. Past service cost was recognized immediately in other income and amounted to TCHF -2,052.

In the 2021 fiscal year, the pension obligations of osoTec GmbH, Affoltern am Albis, and ANT-Informatik AG, Zurich, 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 (previous year: 2015) BVG tariff are used as a basis.

In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2020 was applied with mortality experience adjustments.

The table below shows the basis for the valuation:

	2022 [1]	2021	2020
	%	%	%
Actuarial interest rate (DE)	1.65	1.65	1.35
Interest rate (NL)	1.50	1.50	1.50
Interest rate (CH)	0.40	0.40	0.15
Average labour turnover rate (DE)	-	-	5.00
Average labour turnover rate (NL)	-	-	-
Average labour turnover rate (CH)[2]	1,7-31,0	1,7-31,0	1,3 – 28,5
Wage and salary increase (DE)	1.29	1.29	1.13
Wage and salary increase (NL)	-	-	-
Wage and salary increase (CH)	0.50	0.50	0.50
Annual increase in current pensions (DE)	1.11	1.11	1.06
Annual increase in current pensions (NL)	-	-	-
Annual increase in current pensions (CH)	-	-	0.33

[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 31/12/2021, the weighted average term of defined benefit obligations was 28 years in Germany (previous year: 29 years), 23 years in the Netherlands (previous year: 24 years), and 18 years in Switzerland (previous year: 19 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:

	2021	2020
	KEUR	KEUR
Present value of the obligation at the start of the reporting period	69,954	66,322
Recognised in profit or loss		
Current service cost	1,741	1,578
Past service cost	-1,986	-22
Interest cost	449	504
Recognised in other comprehensive income		
Actuarial gains (–) / losses (+) from		
– demographic assumptions	-2,588	-516
– financial assumptions	-2,054	1,651
– empirical adjustments	402	194
Currency changes	2,105	170
Miscellaneous		
Accrual of pension obligations	8,559	-
Paid benefits and departures	-1,986	-616
Employee contributions	1,234	1,068
Administrative costs	-426	-379
Present value of the obligation at the end of the reporting period	**75,404**	**69,954**

The past service cost results from the plan changes at the Swiss companies with regard to the conversion rates.

The actuarial gains (-) / losses (+) mainly result from a change in the demographic assumptions with regard to changed resignation, death and disability probabilities in accordance with the BVR 2020 tariff (in the previous year: BVG 2015) for the pension plans in Switzerland.

	2021	2020
	KEUR	KEUR
Fair value of the plan assets at the start of the reporting period	51,136	49,124
Recorded in profit or loss		
Interest income	402	444
Recorded in other comprehensive income		
Income (+) / (-) expenses from plan assets without interest income	497	-171
Currency changes	1,291	111
Miscellaneous		
Accrual of plan assets	5,879	347
Employer contributions	1,348	1,189
Employee contributions	1,234	1,068
Lump-sum payments	-1,944	-573
Administrative costs	-734	-403
Fair value of the plan assets at the end of the reporting period	**59,109**	**51,136**

	2021	2020
	KEUR	KEUR
Present value of the externally financed obligations	74,299	68,804
Fair value of the plan assets	59,109	51,136
Deficit	15,190	17,668
Present value of the internally financed obligations	1,105	1,150
Funding status	16,295	18,818
Reported pension liabilities	16,295	18,818
of which reported as pension provisions	16,295	18,818

The obligation is divided into the following groups of participants:

	2021	2020
	KEUR	KEUR
Current employees	14,988	17,347
Employees who have left the company with vested benefits	462	512
Retirees	845	959
	16,295	**18,818**

Actuarial gains (-) and losses (+) amounting to KEUR -4,447 were recognised in other comprehensive income in 2021 before adjustment for deferred taxes. Accumulated actuarial losses were recognised as KEUR 10,397 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:

	2021	2020
	KEUR	KEUR
Current and past service costs	-245	1,556
Interest cost	449	504
Interest income from plan assets	-402	-444
Administrative costs	18	18
Net pension expenditure	**-180**	**1,634**

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

The effective return on plan assets amounted to KEUR -899 (previous year: KEUR -273) 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:

	2021	2020
	KEUR	KEUR
Bond	41,673	40,011
Real estate	5,720	4,254
Shares	4,298	1,345
Liquid assets and fixed deposits	3,302	3,230
Miscellaneous	4,116	2,296
Total	**59,109**	**51,136**

	2021	2020	2019	2018	2017
	KEUR	KEUR	KEUR	KEUR	KEUR
Present value of pension obligations	75,404	69,954	66,322	51,118	44,001
Fair value of the plan assets	59,109	51,136	49,124	40,280	33,486
Plan deficit	16,295	18,818	17,198	10,838	10,515
Empirical adjustments to the pension obligations	402	194	1,695	324	749
Empirical adjustments to the plan assets	207	-171	4,735	-589	309

The empirical adjustment of the pension obligations amounted to KEUR 402 (previous year: TEUR 194) and to KEUR 207 (previous year: KEUR -171) 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 4,142 in the fiscal year (previous year: KEUR 3,602). Expenses were also incurred for other defined contribution plans for Executive Board members amounting to KEUR 117 (previous year: KEUR 40) 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:

	2021	2020
Change of the obligation	KEUR	KEUR
Current assumption as of 31/12/		
Total obligations	75,404	69,954
Externally financed obligations	74,299	68,804
Internally financed obligations	1,105	1,150
Discounting interest rate +0.5 PP	-7,193	-6,913
Discounting interest rate -0.5 PP	7,434	8,062
Wage increase rate +0.5 PP[1)]	880	771
Wage increase rate -0.5 PP[1)]	-882	-830
Wage increase rate +0.5 PP[2)]	-409	4
Wage increase rate -0.5 PP[2)]	-415	5
Pension increase +0.5 PP[3)]	4,837	2,482
Pension increase -0.5 PP[3)]	-5,281	-74

PP = Percentage points

[1)] Due to the assumption of 0% annual salary increases in Germany (with the exception of NEXUS SWISSLAB GmbH), 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.

[3] *Due to the assumption of annual pension increases of 0% in Netherlands, the result only pertains to domestic obligations and those from Switzerland.*

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 2022, pension expenditures of KEUR 1,506, a present value of obligations amounting to KEUR 78,226 and a future value of the plan assets of KEUR 60,075 are forecast.

Employee benefits paid directly by the employer are projected to reach KEUR 48. The projected contributions to the plan assets are forecast to amount to KEUR 1,439 in 2022.

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

	31.12.2021	Within 1 year	Within 1 to 5 years	After more than 5 years
Maturity analysis	KEUR	KEUR	KEUR	KEUR
Expected performance obligations	20,478	1,457	7,539	11,482

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

23. LIABILITIES

The liabilities in terms of maturity are as follows:

	31/12/2021	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Accruals	13,399	-
- Salary obligations	8,722	-
- Miscellaneous	4,677	-
Other non-financial liabilities	21,549	-
- Income tax liabilities	4,227	-
- Deferred revenue	9,812	-
- Other taxes	7,510	-
Trade and other payables	5,043	-
Contract liabilities	4,047	-
Other financial liabilities	5,384	6,211
Lease liabilities	4,559	12,072
Total	**53,981**	**18,283**

	31/12/2020	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Accruals	12,326	-
- Salary obligations	5,933	-
- Miscellaneous	6,393	-
Other non-financial liabilities	12,181	-
- Income tax liabilities	2,432	-
- Deferred revenue	6,708	-
- Other taxes	3,041	-
Trade and other payables	8,650	-
Contract liabilities	2,244	-
Other financial liabilities	5,700	7,606
Lease liabilities	4,012	9,142
Total	**45,113**	**16,748**

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.

Revenue deferrals are required if the performance period for the recognition of revenues for software maintenance deviates from the fiscal year. The deferred revenue is then recognised in profit or loss over the performance period in the subsequent fiscal year.

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

Contract liabilities primarily pertain to advances received from customers. The other financial liabilities relate exclusively to liabilities from purchase prices.

As in the previous year, other financial liabilities relate to purchase price obligations arising 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 01/01/2021	13,306
Disposal due to payment of the remaining purchase price liability of NEXUS AEGERUS SL	-150
Disposal due to payment of the remaining purchase price liability of ASTRAIA Software GmbH	-1,142
Disposal due to payment of the remaining purchase price liability of NEXUS SWISSLAB GmbH	-2,500
Disposal due to the derecognition in profit or loss due to the pro rata payment of NEXUS POLSKA Sp. z o.o.	-1,268
Accruals due to compounding	99
– highsystem ag[1)]	10
– RVC Medical IT Holding B.V.	4
– NEXUS AEGERUS SL	4
– ITR Software GmbH	2
– Nexus Swisslab GmbH	7
– NEXUS POLSKA Sp. z o. o.[1)]	26
– Sophrona Solutions Inc[1)]	3
– ANT Informatik GmbH[1)]	21
– SINAPSI Sagl[1)]	1
– osoTec GmbH[1)]	10
– Creativ Software AG[1)]	11
Increase in the purchase price liability due to changes in the estimates related to	1,350
– RVC Medical IT Holding B.V.	410
– highsystem ag	72
– ASTRAIA Software GmbH	178
– NEXUS POLSKA Sp. z o.o.	619
– osoTec GmbH	71
Reduction in the purchase price liability due to changes in the estimates related to	-854
– ANT Informatik GmbH	-291
– NEXUS AEGERUS SL	-243
– Creativ Software AG	-320
Accruals due to company acquisitions	2,953
Adjustments due to exchange rate changes	-199
Status of contingent purchase price payments as at 31/12/2021	**11,595**

1) Inclusive exchange rate effects

	KEUR
Status of contingent purchase price payments as at 01/01/2020	15,933
Disposal due to payment of the remaining purchase price liability of Nexus / CHILI GmbH	-2,362
Disposal due to the pro rata payment of the purchase price liability of NEXUS POLSKA Sp. z o.o.	-1,153
Disposal due to the derecognition in profit or loss due to the pro rata payment of NEXUS POLSKA Sp. z o.o.	-331
Accruals due to compounding	28
– highsystem ag[1)]	7
– RVC Medical IT Holding B.V.	1
– Nexus Swisslab GmbH	7
– Creativ Software AG[1)]	13
Increase in the purchase price liability due to changes in the estimates related to	767
– highsystem ag	282
– NEXUS POLSKA Sp. z o.o.	485
Reduction in the purchase price liability due to changes in the estimates related to	-2,294
– Creativ Software AG	-751
– ASTRAIA Software GmbH	-1,543
Accruals due to company acquisitions	2,726
Adjustments due to exchange rate changes	-8
Status of contingent purchase price payments as at 31/12/2020	**13,306**

24. PROVISIONS

Provisions are composed of the following:

	As at 01/01/2021	Inflows from business combinations within the Group	Currency changes	Use of provisions 2021	Unused amounts reversed 2021	Allocation 2021	As at 31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Services yet to be rendered	4,326	364	121	2,793	315	2,656	4,359
Remaining provisions	4,759	121	3	692	3,022	488	1,657
	9,085	**485**	**124**	**3,485**	**3,337**	**3,144**	**6,016**

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.

25. 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 26,172 (previous year. KEUR 26,449). Only insignificant cash and cash in banks are included. The following tables show a reconciliation of liabilities from financing activities.

	01/01/2021	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR		KEUR	KEUR
Financial liabilities	-	-701	701	-	-	-	-	-	-
Other financial liabilities[1)]	13,306	-2,410	2,953	-199	496	-	99	-2,650	11,595
Lease liabilities	13,154	-4,946	175	75	-	8,173	-	-	16,631
Liabilities from financing activities	**26,460**	**-8,057**	**3,829**	**-124**	**496**	**8,173**	**99**	**-2,650**	**28,226**

	01/01/2020	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR		KEUR	KEUR
Financial liabilities[2)]	-	-2,528	2,528	-	-	-	-	-	-
Other financial liabilities[1)]	15,933	-5,242	4,453	-8	-1,858	-	28	-	13,306
Lease liabilities	10,865	-4,546	1,693	22	-	5,120	-	-	13,154
Liabilities from financing activities	**26,798**	**-12,316**	**8,674**	**14**	**-1,858**	**5,120**	**28**	**-**	**26,432**

[1)] The column "Other" includes cash changes of KEUR 2,500 in 2021, which are included in the cash flow from current business transactions, and KEUR 150, which are reported in the cash flow from investment activities.

26. 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), and NEXUS / CMS (Consulting & Managed Services). 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.

Administrative and medical software solutions for healthcare are developed and marketed by the business units NEXUS / DE (Germany), NEXUS / DIS (Diagnostic Systems) and NEXUS / ROE (Rest of Europe). The economic performance of these business units reacts uniformly to external influences. Furthermore, the offered products and services, the production process, the customers and sales methods are almost identical. For the reasons cited above, these three business units are combined in the reportable segment Healthcare Software.

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

The operative segment NEXUS / CMS (Consulting & Managed Services), which is not allocated to the Healthcare Software reporting segment, reports as an independently operating Healthcare Service segment with mandatory reporting. The companies combined under Healthcare Service are managed uniformly. NEXUS / CLOUD performs managerial duties in the daily management of hospital IT departments; from operational management to taking care of the software applications used, and user support. IT-supported process consulting, including SAP consulting and SAP-HCM consulting, is offered by NEXUS / EPS. The accounting policies for both 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:

	2021	2020
	KEUR	KEUR
Sales		
Germany	103,044	88,611
Switzerland / Lichtenstein	37,055	33,611
The Netherlands	21,321	18,055
Poland	8,985	7,230
France	6,632	6,377
Austria	3,302	2,317
Other regions	7,839	6,743
	188,178	**162,944**
Fixed assets		
Germany	86,733	70,875
The Netherlands	40,220	38,794
Switzerland	32,813	26,225
Poland	7,714	8,222
France	3,327	3,121
Spain	3,432	3,562
USA	3,643	3,464
Austria	55	4
	177,937	**154,267**

Reporting according to business segment	Healthcare Software		Healthcare Service		Consolidation		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Revenue								
Sales to third parties	181,136	154,533	7,042	8,411	-	-	188,178	162,944
– Services and software maintenance	138,542	119,459	6,861	8,057	-	-	145,403	127,516
– Licenses	30,064	24,454	88	328	-	-	30,152	24,782
– Services	12,530	10,620	93	26	-	-	12,623	10,646
Sales between segments	66	81	5,895	6,867	-5,961	-6,948	-	-
Segment revenues	181,202	154,614	12,937	15,278	-5,961	-6,948	188,178	162,944
EBIT	23,731	17,767	383	2,148	-	-	24,114	19,915
Financial income	-	48	-	5	-	-	-	53
Financial expenses	-1,042	-359	-17	-17	-	-	-1,059	-376
EBT	22,692	17,456	363	2,136	-	-	23,055	19,592
Income taxes	5,368	3,831	228	670	-	-	5,596	4,501
Consolidated net income	**17,324**	**13,625**	**135**	**1,466**	**-**	**-**	**17,459**	**15,091**
of which attributable to:								
– Shareholders of the parent company	-	-	-	-	-	-	17,153	14,916
– Non-controlling interests	-	-	-	-	-	-	306	175
Segment assets	241,322	212,495	6,019	10,667	-	-	247,341	223,162
Segment liabilities	102,445	93,776	2,493	5,803	-	-	104,938	99,579
Investments	13,575	12,383	283	147	-	-	13,858	12,530
– Leases	8,392	7,107	173	80	-	-	8,565	7,187
– Intangible assets and property, plant and equipment	5,183	5,276	110	67	-	-	5,293	5,343
Amortisation	16,086	16,054	570	671	-	-	16,656	16,725
– Leases	4,767	4,288	248	313	-	-	5,015	4,601
– Intangible assets and property, plant and equipment	11,319	11,766	322	358	-	-	11,641	12,124

27. 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. As of 31/12/2021, CEO Dr. Ingo Behrendt was entitled to 14,000 shares and Chief Sales Officer Ralf Heilig and Chief Sales Officer were entitled to 10,000 shares each. The exercise price has been and will be EUR 0.00. The settlement is planned in 2022. 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. As of 31/12/2021, the CEO Dr. Ingo Behrendt was entitled to 20,048 shares. The exercise price is EUR 0.00. The settlement is planned in 2022. 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 depends on the development of the Group EBITDA of the Nexus Group in the period from 01/01/2020 to 31/12/2022. Remaining in the company during the bonus cycle is required. The fair value of the options was KEUR 480 at granting. KEUR 480 also represent the agreed upper limit. This corresponds to 6,704 options as of 31/12/2021. The exercise date is four weeks after approval of the consolidated financial statements of Nexus AG on 31/12/2022. The exercise price is EUR 0.00. Expenses were incurred in the reporting period in the amount of KEUR 320, which was recorded in staff costs and the capital reserves.

In addition, shares are sold irregularly during the year to executives below the Executive Board on advantageous terms (2021: 2,281 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.

__ Other employees

In 2021, employees were given the opportunity between 07/09/2021 and 16/09/2021 to acquire up to 35 shares of Nexus AG at a price of EUR 50.90 (exercise price). The shares acquired by the employees during this period (12,464) were created by means of a capital increase. 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 68.60) was fully recognized in staff costs and in capital reserves in the amount of KEUR 221.

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

Reporting period 2021	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	74,000	20,048	94,048
Pending options at the start of the reporting period	74,000	20,048	94,048
Options granted during the reporting period	-	-	-
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	50,000	-	50,000
Pending options at the end of the reporting period	65.30	-	-
Weighted average share price on the day on the performance	24,000	20,048	44,048
Exercisable options at the end of the reporting period	24,000	20,048	44,048

Reporting period 2020	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	84,000	-	84,000
Pending options at the start of the reporting period	84,000	-	84,000
Options granted during the reporting period	-	20,048	20,048
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	10,000	-	10,000
Pending options at the end of the reporting period	49.50	-	-
Weighted average share price on the day on the performance	74,000	20,048	94,048
Exercisable options at the end of the reporting period	74,000	20,048	94,048

28. 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 and the Netherlands as well as trade and other receivables. The bank deposits of the company are mainly in euros 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 31/12/2021 KEUR	Carrying amount 31/12/2020 KEUR
Trade and other receivables	lifetime-expected-credit-loss	N/A	31,930	27,550
Contract assets	lifetime-expected-credit-loss	N/A	2,234	2,336
Other Financial Assets	12-month-expected credit loss	Level 1	919	3,015
Bank deposits	12-month-expected credit loss	Level 1	26,172	26,449

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 1,149 on 31/12/2021 (previous year: KEUR 987). Of this amount, KEUR 162 (previous year: KEUR 63) 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 3,037 (previous year: KEUR 2,983) 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
	31.12.2021 (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	4,047	4,047	—	—
	(2,244)	(2,244)		
Trade and other payables	5,043	5,043	-	-
	(8,650)	(8,650)		
Miscellaneous	11,595	5,384	6,211	-
	(13,306)	(5,700)	(7,606)	
Total	**20,685**	**14,474**	**6,211**	**-**
	(24,200)	**(16,594)**	**(7,606)**	**-**

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 and CAD 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. 27.5% of its sales outside of the euro sphere 2021 (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, and British pounds.

As of 31/12/ 2021, the Group had the following holdings of PLN, USD and CHF:

31/12/2021		31/12/2020	
3784 KPLN	824 KEUR	5295 KPLN	1162 KEUR
473 KUSD	418 KEUR	372 KUSD	303 KEUR
11958 KCHF	11572 KEUR	9082 KCHF	8400 KEUR

The following trade and other receivables in foreign currency existed as of 31/12/2021:

31/12/2021		31/12/2020	
1056 KNOK	106 KEUR	197 KNOK	19 KEUR
26455 KPLN	5758 KEUR	14700 KPLN	3226 KEUR
375 KUSD	331 KEUR	86 KUSD	70 KEUR
7 KGBP	8 KEUR	KGBP	KEUR
3890 KCHF	3764 KEUR	3952 KCHF	3665 KEUR

The following trade and other payable in foreign currency existed as of 31/12/2021:

31/12/2021		31/12/2020	
1454 KPLN	316 KEUR	11082 KPLN	2432 KEUR
42 KUSD	37 KEUR	41 KUSD	33 KEUR
37 KCAD	26 KEUR	KCAD	KEUR
1314 KCHF	1272 KEUR	2036 KCHF	1883 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:

	31/12/2021	31/12/2020
Norwegian Krone (NOK)	11 KEUR	2 KEUR
Polish Zloty (PLN)	690 KEUR	196 KEUR
US Dollar (USD)	79 KEUR	34 KEUR
British Pound (GBP)	1 KEUR	KEUR
Canadian Dollar (CAD)	3 KEUR	KEUR
Swiss Franc (CHF)	1664 KEUR	1018 KEUR

__ Translation Risk

The registered office of the subsidiaries NEXUS Schweiz AG, Creativ Software AG, ant Informatik AG, osoTec GmbH, SINAPSI Sagl and highsystem ag, NEXUS POLSKA Sp. z o.o., ifa united i-tech Inc., Inoveon Corp. and Sophrona Solutions Inc. are located outside the euro area. Because the reporting currency of the NEXUS Group is the euro, the revenues and expenditures of these subsidiaries are converted into euros within the framework of consolidation. Changes in the average exchange rates from one reporting period to another can cause significant conversion effects, for example, with respect to sales revenues, the segment result and the Group result.

__ 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:

	2021
	KEUR
FVPL	-350
Net change in the fair value from purchase price liabilities	-297
Interest expense due to compounding of purchase price liabilities	-99
Net changes in the fair value from securities	28
Interest income from securities	18
AC	-147
Net gains/losses of the category at amortised cost	-147
	-497

	2020
	KEUR
FVPL	1,914
Net change in the fair value from purchase price liabilities	1,866
Interest expense due to compounding of purchase price liabilities	-28
Net changes in the fair value from securities	50
Interest income from securities	26
AC	-1,217
Net gains/losses of the category at amortised cost	-1,217
	697

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 -297 (previous year: KEUR 1,866), which are recorded under Other operating income or Other operating expenses. The interest on the purchase price liabilities in the amount of KEUR -99 (previous year: KEUR -28) is recognized in financial expenses. In addition, the net gains or losses include income from reinstated original value of securities in the amount of KEUR 28 (previous year: KEUR 50), which is recorded in the item Other operating income and interest income from securities in the amount of KEUR 18 (previous year: KEUR 26).

The net profits / losses of the category AC essentially contain revenue adjustment for items still under clarification in value of KEUR 105 (previous year: KEUR -1,126). These are shown in the item Revenue. Changes from credit risks in the amount of KEUR 54 (previous year: KEUR -63) 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 2021:

Financial income and expenses from financial instruments	2021	2020
	KEUR	KEUR
Financial income	-	27
Financial expenses	7	153
	-7	**-126**

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 31/12/2021 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2021	As at 31/12/2021	FVPL	AC
Assets					
Cash in banks	At amortised cost	26,172	26,172	-	26,172
Trade receivables	At amortised cost	31,930	31,930	-	31,930
Contract assets	At amortised cost	2,234	2,234	-	2,234
Other financial assets	At amortised cost	1,148	919	-	1,148
		61,484	**61,255**	**-**	**61,484**
Liabilities					
Trade and other payables	At amortised cost	5,043	5,043	-	5,043
Contract liabilities	At amortised cost	4,047	4,047	-	4,047
Purchase price liabilities	At fair value	11,595	11,595	11,595	-
		20,685	**20,685**	**11,595**	**9,090**

As at 31/12/2020 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2020	As at 31/12/2020	FVPL	AC
Assets					
Securities	At fair value	1,728	1,728	1,728	—
Cash in banks	At amortised cost	26,449	26,449	-	26,449
Trade receivables	At amortised cost	27,550	27,550	-	27,550
Contract assets	At amortised cost	2,336	2,336	-	2,336
Other financial assets	At amortised cost	1,287	1,287	-	1,287
		59,350	**59,350**	**1,728**	**57,622**
Liabilities					
Trade and other payables	At amortised cost	8,650	8,650	-	8,650
Contract liabilities	At amortised cost	2,244	2,244	-	2,244
Purchase price liabilities	At fair value	13,306	13,306	13,306	-
		24,200	**24,200**	**13,306**	**10,894**

The individual levels in the measurement of financial instruments are defined as follows in accordance with IFRS 7:

__ 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:

	31/12/2021			
	Level 1	Level 2	Level 3	Total
Purchase price liabilities	-	-	11,595	11,595

	31/12/2020			
	Level 1	Level 2	Level 3	Total
Securities	1,728	-	-	1,728
Purchase price liabilities	-	-	13,306	13,306

Please refer to Note 23 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 – Revision of versions provided to end customers	– Budgets with EBITDA or EBITA for the subsequent fiscal year – Updating of the budget with revenues and earnings for the respective fiscal years from the contingent consideration – Attainment of qualitative goals in software development and the roll -out of new versions to end customers – Risk-adjusted discount rate	The estimated fair value would increase (decrease), if: – The projected EBITDA or EBITA was higher (lower). – The risk-adjusted discount rate was lower (higher). – The new versions were not delivered to end customers as agreed (only decrease)

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 EBITDA and EBIT (10% change)	511	-476
Risk-adjusted discount rate (1% change 100 basis points)	-92	92

29. 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 33.

__ 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 2021, the expenses for services fees in this regard amount to KEUR 107 (previous year: KEUR 79). Outstanding trade and other receivables from this in the amount of KEUR 16 (previous year: KEUR 0) 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 2021, the revenues from these services amounted to KEUR 111 (previous year: KEUR 117). Outstanding trade and other payables from this in the amount of KEUR 0 (previous year: KEUR 6) 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 31/12/2021, 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.

30. 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
+ Prof. Dr. med. Felicia M. Rosenthal, Freiburg i. Br.
+ Prof. Dr. Alexander Pocsay, St. Ingbert
+ Dr. Dietmar Kubis, Jena
+ Juergen Rottler, Singen

The total remuneration paid to the Supervisory Board in 2021 amounted to KEUR 129 (previous year: KEUR 129).

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:

	2021	2020
Salary components	KEUR	KEUR
Components not based on performance	900	720
a) Short-term benefits	828	635
b) Post-employment benefits	72	85
Components not based on performance with no long-term incentives	899	420
Performance-based components with long-term incentives	916	1,134
Total	**2,715**	**2,274**

31. 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 www.nexus-ag.de – Company – Investor Relations – Corporate Governance to ensure that it remains permanently accessible.

32. COMPANY MERGERS

__ Acquisition of ITR Software GmbH, Lindenberg im Allgäu

BY acquiring more than 51% of the shares in ITR Software GmbH in Lindenberg, Allgäu, on 04/02/2021, NEXUS is expanding its commitment in the field of rehabilitation. ITR Software GmbH provides innovative software solutions for rehabilitation clinics and specializes in small and medium-sized institutions. KEUR 950 was paid in cash as purchase price. There is a call and put option contract for the remaining 49% 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 expected purchase price. The future, expected purchase price liabilities of KEUR 989 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 498) and technology (KEUR 269) 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 1,301. The goodwill results mainly from the skills and expertise of the ITR Software GmbH 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 2021, sales with third parties from initial consolidation time, 4 February 2021, amounted to KEUR 1,078, and the contribution to the consolidated surplus was KEUR 215. The miscellaneous procurement costs in the amount of KEUR 9 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 1,116 and the contribution to consolidated net earnings to KEUR 177.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities ITR Software GmbH	Fair value at the acquisition date
	KEUR
Cash assets	203
Intagible Assets	767
Rights of use	122
Property, plant and equipment	60
Inventories	23
Other assets	2
Trade and other receivables	16
	1,193
Deferred tax liabilities	213
Tax provisions	32
Other provisions	28
Liabilities	282
	555
Net assets at the acquisition date	638
Goodwill	1,301
Total acquisition costs	**1,939**
The acquisition costs are composed of the following	
Purchase price paid in cash	950
Purchase price still to be paid	989
Total acquisition costs	**1,939**
Cash from this acquisition developed as follows	
Purchase price paid in cash	950
Acquired cash	203
Inflow of cash	747

__ Acquisition of ANT-Informatik AG, Zurich (Switzerland)

By acquiring 63.92% of the shares in ANT-Informatik AG in Zurich, Switzerland on 01/04/2021, NEXUS is strengthening its commitment in the area of customer relationship management software for clinics and non-profit organizations. Already in 2018, NEXUS acquired a participating interest in Creativ Software AG and thus included a modern CRM in our software portfolio. ANT-Informatik AG is one of the main suppliers of CRM systems for non-profit and donation organizations with more than 60 customers in Switzerland and Germany. The application focuses on seamless integration of CRM into customer landscapes and a modern technology set. In the future, ANT-Informatik AG and Creativ Software AG will coordinate their products and act together on the Swiss, German and international markets. The solutions will be offered to broader customer groups through new innovation projects and will be aligned to the new healthcare requirements through close collaboration within the NEXUS Group. KEUR 2,310 was paid in cash as purchase price. There is a call and put option contract for the remaining 36.08% 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 expected purchase price. The future, expected purchase price payment s of KEUR 1,187 was entered in the balance sheet as purchase price liability and represents the fair value. No upper limit was contractually agreed for the expected payment of the purchase price in the future. We do not expect any material deviation in corporate planning or change in the fair value of the future purchase price payment. 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 2,641) and technology (KEUR 344) 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 2,210. The goodwill results mainly from the skills and expertise of ANT-Informatik AG 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 either completely or in part.

For 2021, sales with third parties from initial consolidation time, 01/04/2021, amounted to KEUR 2,754, and the contribution to the consolidated surplus was KEUR -465. The miscellaneous procurement costs in the amount of TEUR 12 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to TEUR 3,649 and the contribution to consolidated net earnings to TEUR -997.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities ANT-Informatik AG	Fair value at the acquisition date
	KEUR
Cash assets	1,706
Intagible Assets	2,985
Rights of use	131
Property, plant and equipment	40
Finanical Assets	26
Deferred tax assets	74
Inventories	5
Other non-financial assets	73
Other financial assets	57
Trade and other receivables	239
	5,336
Pension provision	2,006
Liabilities Rights of use non-current	61
Deferred tax liabilities	396
Liabilities from deliveries and services	67
Other non-financial liabilities	1,271
Other financial liabilities	178
Liabilities Rights of use short-term	70
	4,049
Net assets at the acquisition date	1,287
Goodwill	2,210
Total acquisition costs	**3,497**
The acquisition costs are composed of the following	
Purchase price paid in cash	2,310
Purchase price still to be paid	1,187
Total acquisition costs	**3,497**
Cash from this acquisition developed as follows	
Purchase price paid in cash	2,310
Acquired cash	1,706
Inflow of cash	604

__ Acquisition of DC-Systeme Informatik GmbH, Heiligenhaus

With the acquisition on 21/06/2021 of 100% of the shares in DC-Systems Informatik GmbH in Heiligenhaus, NEXUS is expanding its commitment in the field of software solutions in digital pathology. In addition to the software offer, the company, with its 45 highly qualified employees, specializes in the development of solution components that accelerate the digitization process in pathology. KEUR 15,800 was paid in cash as purchase price.

The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 2,351) and technology (KEUR 795) 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 10,007. The goodwill results mainly from the skills and expertise of the DC-Systeme Informatik GmbH 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 2021, sales with third parties from initial consolidation time, 01/07/2021, amounted to KEUR 3,261, and the contribution to the consolidated surplus was KEUR 361. The miscellaneous procurement costs in the amount of KEUR 41 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 6,332 and the contribution to consolidated net earnings to KEUR 558.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities DC-Systeme Informatik GmbH	Fair value at the acquisition date
	KEUR
Cash assets	1,571
Intagible Assets	3,146
Properties and buildings	1,840
Rights of use	17
Property, plant and equipment	83
Inventories	1,236
Other assets	373
Trade and other receivables	330
	8,596
Deferred tax liabilities	1,302
Tax provisions	102
Other provisions	246
Liabilities to credit institutions	701
Liabilities	452
	2,803
Net assets at the acquisition date	5,793
Goodwill	10,007
Total acquisition costs	**15,800**

The acquisition costs are composed of the following	
Purchase price paid in cash	15,800
Purchase price still to be paid	-
Total acquisition costs	**15,800**

Cash from this acquisition developed as follows	
Purchase price paid in cash	15,800
Acquired cash	1,571
Inflow of cash	14,229

__ Acquisition of osoTec GmbH, Affoltern am Albis (Switzerland)

With the acquisition on 01/07/2021 of more than 55% of the shares in osoTec GmbH in Affoltern am Albis, Switzerland, NEXUS is expanding its commitment in the field of software solutions for billing personal services in hospitals, nursing homes and prisons. The company markets its products through sales partners in Switzerland, Germany and Austria. With this modern solution, we are convinced that we are taking another step forward in healthcare. KEUR 814 was paid in cash as purchase price. There is a call and put option contract for the remaining 45% 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 expected purchase price. The future, expected purchase price liabilities of KEUR 645 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 746) and technology (KEUR 175) 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 356. The goodwill results mainly from the skills and expertise of the osoTec GmbH 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 either completely or in part.

For 2021, sales with third parties from initial consolidation time, 01/07/2021, amounted to KEUR 583, and the contribution to the consolidated surplus was KEUR 36. The miscellaneous procurement costs in the amount of KEUR 13 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 1,138 and the contribution to consolidated net earnings to KEUR 214.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities osoTec GmbH	Fair value at the acquisition date
	KEUR
Cash assets	893
Intagible Assets	921
Property, plant and equipment	2
Financial Assets	1
Inventories	3
Other Assets	9
Trade and other receivables	116
	1,945
Pension provision	500
Deferred tax liabilities	96
Liabilities from deliveries and services	31
Other non-financial liabilities	162
Other financial liabilities	53
	842
Net assets at the acquisition date	1,103
Goodwill	356
Total acquisition costs	**1,459**
The acquisition costs are composed of the following	
Purchase price paid in cash	814
Purchase price still to be paid	645
Total acquisition costs	**1,459**
Cash from this acquisition developed as follows	
Purchase price paid in cash	814
Acquired cash	893
Inflow of cash	79

__ Acquisition of SINAPSI Sagl, Lugano (Switzerland)

With the acquisition on 24/08/2021 of more than 100% of the shares in Sinalpsi Sagl in Lugano, Switzerland, NEXUS is expanding its market share in the HIS sector in Italian-speaking Switzerland. The company develops a clinical information system for large and medium-sized healthcare facilities and sells it on the Ticino market. The HIS market in Italian-speaking Switzerland offers great potential for Nexus. KEUR 90 was paid in cash as the provisional purchase price and KEUR 131 was paid as a purchase price liability. The final installment of the purchase price due for payment in 2022 is accounted for at fair value and depends on the assessment basis EBIT 2021. If the target is not met, the final purchase price payment will be reduced. An adjustment to income may be necessary in the subsequent year.

The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 300) and technology (KEUR 9) 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 27. The goodwill results mainly from the skills and expertise of the SINAPSI 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 either completely or in part.

For 2021, sales with third parties from initial consolidation time, 31/08/2021, amounted to KEUR 192, and the contribution to the consolidated surplus was KEUR 65. The miscellaneous procurement costs in the amount of KEUR 4 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 399 and the contribution to consolidated net earnings to KEUR -17.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities SINAPSI Sagl	Fair value at the acquisition date
	KEUR
Cash assets	18
Intagible Assets	309
Inventories	37
Other financial liabilities	24
Trade and other receivables	14
	402
Deferred tax liabilities	38
Other financial liabilities non-current	42
Trade payables	7
Other non-financial liabilities	119
Other financial liabilities	2
	208
Net assets at the acquisition date	194
Goodwill	27
Total acquisition costs	**221**
The acquisition costs are composed of the following	
Purchase price paid in cash	90
Purchase price still to be paid	131
Total acquisition costs	**221**
Cash from this acquisition developed as follows	
Purchase price paid in cash	90
Acquired cash	18
Outflow of cash	72

__ Acquisition of the Centrasys Suite and Care Solutions business from iSOFT Nederland B.V., Nieuwegein (Netherlands)

BY acquiring the Centrasys Suite and Care Solutions business of iSOFT Nederland B.V. by NEXUS Nederland B.V., Nieuwegein (Netherlands) on 01/09/2021, NEXUS is expanding its product portfolio in the area of medication and pharmacy processes in the Netherlands. KEUR 900 was paid in cash as purchase price. The identified and evaluated contract assets in the purchase price allocation are essentially composed of technology (KEUR 772) at the purchase time. Goodwill resulted from the purchase price allocation in the amount of KEUR 268. 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 according to local law.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities Centrasys Suite und Care Solutions	Fair value at the acquisition date
	KEUR
Intagible Assets	772
Cash assets	239
	1,011
Trade payables	379
	379
Net assets at the acquisition date	632
Goodwill	268
Total acquisition costs	**900**
The acquisition costs are composed of the following	
Purchase price paid in cash	900
Purchase price still to be paid	-
Total acquisition costs	**900**
Cash from this acquisition developed as follows	
Purchase price paid in cash	900
Acquired cash	239
Outflow of cash	661

__ Adjustment to the Contingent Purchase Price Payment of highsystem ag

In relation to the acquisition of highsystem ag in the fiscal year 2017, a contingent purchase price payment amounting to KCHF 723 was classified as a liability. In the fiscal years 2017, 2018, 2019, 2020 and 2021 this amount was increased by an additional KCHF 29 as a result of compounding. The option purchase price and term were adjusted in the addendum on the existing option agreement dated 19/01/2021. The addendum and adjustment of the profit forecast resulted in an adjustment through profit or loss of KCHF 78 for the fiscal year 2021. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 1,075 was reported on the reporting date.

__ Adjustment of the Contingent Purchase Price Payment for NEXUS POLSKA Sp. z o.o.

In relation to the acquisition of NEXUS POLSKA Sp. z o.o. in the fiscal year 2018, a contingent purchase price payment amounting to KPLN 22,551 was classified as a liability. In the fiscal years 2018 and 2019, this amount was increased by an additional KPLN 215 as a result of compounding. An additional 11.37% of the shares in NEXUS POLSKA Sp. z o.o. were acquired with the purchase agreement (option agreement) dated 06/06/2019. The purchase price of KEUR 1,192 was paid in cash. On 23/04/2020, an additional 5.02% of the shares in NEXUS POLSKA Sp. z o.o were acquired, followed by the acquisition of an additional 6.32% on 02/06/2020. A purchase price of KEUR 1,153 was paid in cash. On 24/03/2021, another 5.02% and on 22/04/2021, 6.33% of NEXUS POLSKA Sp. z o.o. were acquired. The purchase price in the amount of KEUR 1,268 was paid in cash. The adjustment of the profit forecast resulted in an adjustment through profit or loss of KEUR 619 for the fiscal year 2021. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 2,264 was reported on the reporting date.

__ Adjustment to the Contingent Purchase Price Payment of Creativ Software AG

In relation to the acquisition of Creativ Software AG in the fiscal year 2018, a contingent purchase price payment amounting to KCHF 3,715 was classified as a liability. In the fiscal years 2018, 2019, 2020 and 2021 this amount was increased by an additional KCHF 44 as a result of compounding. An adjustment through profit or loss of KCHF 346 was made in the fiscal year 2021. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 2,534 was reported on the reporting date.

__ Adjustment of the Contingent Purchase Price Payment for RVC Medical IT Holding B.V.

In relation to the acquisition of RVC Medical IT Holding B.V., in the fiscal year 2020, a contingent purchase price payment amounting to KEUR 1,464 was classified as a liability. In the fiscal year 2020 and 2021, this amount was increased by KEUR 5 as a result of compounding. There was an adjustment to income of KEUR 410 in the 2021 fiscal year. As a result, a future contingent purchase price of KEUR 1,879 resulted on the cut-off date.

__ Adjustment of the future contingent purchase price payment for Sophrona Solutions Inc.

In relation with the purchase of Sophrona Solutions Inc., a contingent purchase price in the amount of KEUR 872 was entered on the liabilities side in the fiscal year 2020. This was increased by KEUR 3 in the fiscal years 2020 and 2021 due to compounding of interest. As a result, a future contingent purchase price of KEUR 946 resulted after currency adjustments on the cut-off date.

__ Remaining purchase price payment for the shares of NEXUS SWISSLAB GmbH

A fixed additional purchase price of KEUR 2,500 was agreed for 31/12/2021 with the purchase contract of 11/10/2018. The future, fixed purchase price payment was entered on the liabilities side in the amount of KEUR 2,479 in the fiscal year 2018. This was increased by an additional KEUR 21 in the fiscal years 2019, 2020 and 2021 due to compounding of interest.

As a result, a contingent purchase price of KEUR 2,500 resulted on 29/11/2021. This was paid in cash in the amount of KEUR 2,500 on 29/11/2021.

__ Acquisition of remaining shares in ASTRAIA Software GmbH

By share purchase agreements dated 12/08/2021 and 17/11/2021, Nexus AG acquired the remaining 39% of the shares in ASTRAIA Software GmbH in cash for KEUR 1,142.

__ Purchase price payment of NEXUS AEGERUS SL

In relation with the purchase of NEXUS AEGERUS SL, a contingent purchase price in the amount of KEUR 389 was entered on the liabilities side in the fiscal year 2020. The contingent purchase price was increased by KEUR 4 in the fiscal year 2021 due to compounding of interest. On the basis of the purchase agreement dated 20/02/2020, KEUR 150 thousand was paid on 22/02/2021. There was an adjustment to income of KEUR 243 in the 2021 fiscal year. As a result, a future contingent purchase price of KEUR 0 resulted on the cut-off date.

A total of KEUR 5,060 (previous year: KEUR 5,242) was paid in cash for the acquisition of non-controlling shares in the 2021 fiscal year. Of this, KEUR 2,410 was shown in the cash flow from financing activities. KEUR 2,500 was shown in the cash flow from current business transactions. KEUR 150 was shown in the cash flow from investment activities.

33. LIST OF CONSOLIDATED SUBSIDIARIES

List of consolidated subsidiaries		31/12/2021	31/12/2020
Full consolidation	Country	Capital share in %	
ANT-Informatik AG, Zürich [1]	Switzerland	100.00	-
ANT-Informatik GmbH, Siegburg [2]	Germany	100.00	-
ASTRAIA Software GmbH, München [3]	Germany	100.00	100.00
Creativ Software AG, Widnau [4]	Switzerland	100.00	100.00
DC-Systeme Informatik GmbH, Heiligenhaus [5]	Germany	100.00	-
E&L medical systems GmbH, Erlangen [6]	Germany	100.00	100.00
highsystem ag, Zürich [7]	Switzerland	95.00	95.00
ifa systems AG, Frechen	Germany	52.56	52.56
ifa united i-tech Inc., Fort Lauderdale [8]	USA	100.00	100.00
ifa-systems informationssysteme für augenärzte GmbH, Wien [8]	Austria	100.00	100.00
Inoveon Corp., Oklahoma City [8]	USA	100.00	100.00
ITR Software GmbH, Lindenberg im Allgäu [9]	Germany	100.00	-
NEXUS . IT GmbH SÜDOST, Donaueschingen [6] [10]	Germany	-	100.00
NEXUS / CHILI GmbH, Dossenheim	Germany	83.73	83.73
NEXUS / CLOUD IT GmbH, Donaueschingen [6]	Germany	100.00	100.00
nexus/cso GmbH, Donaueschingen [6]	Germany	100.00	100.00
NEXUS / DIS GmbH, Frankfurt am Main [6]	Germany	100.00	100.00
NEXUS / ENTERPRISE SOLUTIONS GmbH, Donaueschingen	Germany	100.00	100.00
Nexus / IPS GmbH, Donaueschingen [6]	Germany	100.00	100.00
NEXUS / MARABU GmbH, Berlin [6]	Germany	100.00	100.00
nexus/qm GmbH, Singen Hohentwiel [6]	Germany	100.00	100.00
NEXUS AEGERUS SL, Sabadell [11]	Spain	-	100.00
Nexus Deutschland GmbH, Donaueschingen [6]	Germany	100.00	100.00
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H., Wien	Austria	100.00	100.00
NEXUS Nederland B.V., Nieuwegein	Netherlands	100.00	100.00
NEXUS POLSKA Sp. z o.o., Posen [12]	Poland	100.00	100.00
NEXUS Schweiz AG, Altishofen	Switzerland	100.00	100.00
NEXUS SISINF SL, Sabadell	Spain	100.00	100.00
NEXUS SWISSLAB GmbH, Berlin [6]	Germany	100.00	100.00
Nexus/France S.A.S. Grenoble	France	100.00	100.00
nexus/qm GmbH, Singen Hohentwiel [6]	Switzerland	100.00	-
RVC Medical IT B.V., Amersfoort [13]	Netherlands	100.00	100.00
RVC Medical IT GmbH, Freiburg im Breisgau [13]	Germany	100.00	100.00

List of consolidated subsidiaries		31/12/2021	31/12/2020
Full consolidation	Country	Capital share in %	
RVC Medical IT Holding B.V., Amersfoort [15]	Netherlands	100.00	100.00
RVC Medical IT N.V., Antwerpen [14]	Belgium	100.00	100.00
SINAPSI Sagl, Lugano [16]	Switzerland	100.00	-
Sophrona Solutions Inc., St Paul [17]	USA	100.00	100.00

[1] NEXUS Schweiz AG, a 100% subsidiary of Nexus AG, purchased 63.92% of the shares in ANT-Informatik AG, on 01/04/2021. The remaining 36.08% of shares are governed by an option agreement.
[2] The shares are held indirectly by ANT-Informatik AG.
[3] Nexus AG acquired a further 11.7% of the shares of the subsidiary ASTRAIA Software GmbH on 12/08/2021 from the existing option agreement. Nexus AG acquired the outstanding 27.3% of the shares of the subsidiary ASTRAIA Software GmbH on 08/12/2021 from the existing option agreement.
[4] The shares are held indirectly by NEXUS Schweiz AG. The stake subject to corporate law is only 80%. The remaining 20% of shares are governed by an option agreement.
[5] Nexus AG purchased 100% of the shares in DC-Systeme Informatik GmbH, on 21/06/2021.
[6] Use of the exemption rule pursuant to Art. 264(3) HGB.
[7] The shares are held indirectly by NEXUS Schweiz AG. The stake subject to corporate law is only 80%. The remaining 15% of shares are governed by an option agreement.
[8] The shares are held indirectly by ifa systems AG.
[9] Nexus AG purchased 51% of the shares in ITR Software GmbH, on 04/02/2021. The remaining 49% of shares are governed by an option agreement.
[10] With the merger agreement dated 28/11/2020, NEXUS . IT GmbH SÜDOST merged with NEXUS / CLOUD IT GmbH as of 01/01/2021.
[11] With the merger agreement dated 24/03/2021, NEXUS AEGERUS SL merged with NEXUS SISINF SL as of 01/01/2021.
[12] The stake subject to corporate law is only 89.06%. The remaining 10.94% of shares are governed by an option agreement. Nexus AG purchased an additional 5.02% of the shares in its subsidiary NEXUS POLSKA Sp. z o.o., from the existing option agreement on 24/03/2021, followed by the purchase of an additional 6.33% on 22/04/2021.
[13] NEXUS Schweiz AG purchased a 55% stake in osoTec GmbH on 1/07/2021. A put/call option contract exists for a further 45% of the shares.
[14] The shares are held indirectly by RVC Medical IT Holding B.V.
[15] The stake subject to corporate law is only 92.46%. The remaining 7.54% of shares are governed by an option agreement.
[16] NEXUS Schweiz AG purchased the remaining 100% of the shares in SINAPSI on 24/08/2021.
[17] 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.

34. EVENTS AFTER THE BALANCE SHEET DATE

With a share purchase agreement dated 09/02/2022, NEXUS Schweiz AG acquired the remaining 60% of the shares in oneICT AG, Wallisellen (Switzerland). An option agreement was concluded for the remaining 40%. The aim is to offer an expanded portfolio for our Swiss customers in the healthcare sector through a joint range of solutions for IT and IT security services. oneICT AG, Wallisellen (Switzerland), provides innovative IT solution concepts and IT services including security solutions and specializes in small and medium-sized facilities. Together with NEXUS Schweiz AG, Altishofen (Switzerland), oneICT AG, Wallisellen (Switzerland), will expand its range of products and address new customer groups.

The purchase price of KEUR 784 was paid in cash from the current bank balance of NEXUS Schweiz AG, Altishofen (Switzerland). Purchase price liabilities of KEUR 956 were produced for the remaining 40%, In accordance with IFRS 3.45, the amounts shown below for the first-time recognition at the time of acquisition are provisional: The future expected purchase price payment of KEUR 956 represents the fair value. No upper limit was contractually agreed for the expected payment of the purchase price in the future. There is a de facto upper limit. due to the basis of assessment, sales and EBIT from the corporate planning to determine the purchase price payment to be expected in the future. We do not expect any essential deviation in corporate planning or change in the fair value of the future purchase price payment. The identified and evaluated assets and debts in the purchase price allocation are essentially composed of customer relations in the amount of KEUR 26 and a company pension reserves in the amount of KEUR 124 at the purchase time. Goodwill resulted from the purchase price allocation in the amount of KEUR 1,237. The goodwill results mainly from the skills and expertise of oneICT AG, Wallisellen (Switzerland), workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the goodwill is expected to be deductible for tax purposes Deferred tax liabilities were calculated in the amount of KEUR 22. The disclosures in accordance with IFRS 3 B64 (h) and (i) could not be made because the classification is not yet conclusive.

Donaueschingen 04/03/2022

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, 04/03/2022

Nexus AG

The Executive Board

14 __ Audit Certificate of the Independent Auditor

We have issued the following unrestricted audit certificate on the accompanying Consolidated Financial Statement as of 31/12/2021 (Appendix 1) and the Group Management Report for the fiscal year 2021 (Appendix 2) as well as on the statements of the Consolidated Financial Statement and the Group Management Report prepared for the purposes of disclosure (attached ESEF documents in file form), which is reproduced here:

“Audit Certificate of the Independent Auditor

To Nexus AG, Donaueschingen

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

Auditor’ Report

We have audited the Consolidated Financial Statement of Nexus AG, Donaueschingen and its subsidiaries (the Group) consisting of the Consolidated Financial Statement as of 31/12/2021, 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 01/01/2021 to 31/12/2021 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 01/01/2021 to 31/12/2021. 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, based on the findings of our audit, the attached Consolidated Financial Statement comply

+ in all essential aspects with IFRS to be applied in the EU and the additional requirements of Section 315e (1 of the German Commercial Code (HGB)). Under compliance with these regulations, the Consolidated Financial Statement give a true and fair view of the assets and financial position of the Group as of 31/12/2031 as well as its financial performance for the fiscal year from 01/01/2021 to 31/12/2021.

+ 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 Section 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 Section 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 01/01/2021 until 31/12/2021. 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) Acquisition and initial consolidation of DC-Systeme Informatik GmbH EDV-Leistungen, Heiligenhaus

3) Recognition of revenue from service and software maintenance as well as the sale of software licenses

Concerning 1) Credit quality of goodwill

a) The risk for the financial statements

In the Consolidated Financial Statement of Nexus AG, a total goodwill of EUR 102.9 million is reported under the balance sheet item "Goodwill“. This corresponds to 41.6% 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 sections entitled “Basis of Consolidated Financial Statement/4. Significant Discretionary Decisions, Estimates and Assumptions”, 11. “Goodwill”, 12. “Other Intangible Assets” and 32. “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 financial statements that an impairment loss existing at the balance sheet cut-off date will not be 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 2021 fiscal year. Insofar as significant deviations were noted, these were discussed with the employees responsible at Nexus AG regarding their relevance for the present financial statements.

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 balance sheet 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 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.

Re 2) Acquisition and initial consolidation of DC-Systeme Informatik GmbH, Heiligenhaus

a) The risk for the financial statements

In the 2021 fiscal year, Nexus AG acquired all shares in dc-systeme Informatik GmbH, Heiligenhaus.

The purchase price was EUR 15.8 million, and the value of the determined goodwill was EUR 10.0 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 32 "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. Consequently, we consider this situation to be of particular importance in the context of our audit.

b) Audit procedure and conclusions

Within the scope of our audit, we initially dealt with the regulations of the underlying purchase contracts. We assessed the concept 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 valuation specialists.

After assessing the concept as appropriate, we checked whether the identification and evaluation was carried out in accordance with the concept developed by Nexus AG.

With the purchase price allocation, we mainly identified intangible assets such as technology and customer relationships. 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.

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

Concerning 3) Recognition of revenue from service and software maintenance as well as the sale of software licenses

a) The risk for the financial statements

The Group generates significant revenues from services and software maintenance as well as the sale of software licenses to customers. With these types of sales, EUR 175.6 million of the total EUR 147.6 million in revenue were achieved in the reporting year.

Revenue is realized when the Group has fulfilled its performance obligation by transferring control of goods to the customer or by providing services to the customer. Due to the complexity of revenue recognition regulations, the Group analyzed for each revenue category whether revenue should be recognized on a time or period basis. With regard to the explanations regarding the revenue recognition of the NEXUS Group, we refer to the disclosures in the notes in the Group Appendix under section “Basis of Consolidated Financial Statement/5. Essential Accounting and Valuation Methods”.

Due to the heterogeneity of sales categories and the complexity of regulations concerning sales realization, there is a risk for the financial statement that sales will be recognized, although the above-mentioned requirements of for the recognition of the revenues from service and software maintenance as well as the sale of software licenses are not met and the revenue recognition is therefore incorrect. Therefore, we consider this situation to be of particular importance in the context of our audit.

b) Audit procedure and conclusions

We have assessed the consistency of the accounting policies applied by the Nexus AG for recognition of revenue with the provisions of IFRS 15.

We examined the control environment with respect to the recognition of sales revenues for the different types of sales. Nexus AG has implemented appropriate automated controls in the area of revenue recognition. There were no significant objections within the context of the audit concerning the effectiveness of the controls. In addition to the audit of the internal control system, we carried out testimonial-related audit procedures for the sales revenues recognized during the year.

The selection of the sales sample was based on random selection, so that potentially both high sales and lower sales were used. For this random sample, we collected and checked the contractual basis or orders, the proof of performance and the invoice submitted to the customer.

In addition, we have identified major multi-component customer contracts, which are fulfilled across periods. For these, we examined both the prerequisites for the time-related or period-related revenue recognition of individual performance obligations and the appropriate, output-based determination of the degree of completion.

In addition, we conducted analytical audits for the development of sales revenues, differentiated by revenue types and time periods based on a mathematical-statistical selection (monetary unit sampling), and obtained external bank confirmations from customers for outstanding balances on the balance sheet cut-off date. In the event of differences or a lack of return in the context of the balance confirmation measure, we performed alternative auditing methods.

We believe that the accounting and valuation methods used by Nexus AG to recognize sales revenues are appropriate to enable an appropriate presentation in the Consolidated Financial Statement. In addition, we were able to convince ourselves that the processes and controls set up are suitable to enable a proper recognition of sales revenues.

Other Information

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

+ The separate non-financial (Group) report 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 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 Section 297 (2) sentence 4 of the German Commercial Code (HGB) for the Consolidated Financial Statement and the affirmation pursuant to Section 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 Section 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 or

+ otherwise appear 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 Section 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, whether intentional or unintentional.

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 are free of material misstatements — whether intentional or unintentional — 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 Section 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 risks of material misstatements — whether intentional or unintentional — in the Consolidated Financial Statement and the Group Management Report, plan audit procedures in response to these risks, and perform audits that serve as a sufficient and appropriate basis for our audit opinion. The risk that essential misstatements resulting from fraud will not be identified is greater than that for a misstatement resulting from errors, since fraud may include fraudulent co-operation, falsifications, deliberate omissions, misleading representations or the overriding 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 overall presentation, the structure and content of the Consolidated Financial Statement, including the disclosures, and whether the Consolidated Financial Statement present the underlying transactions and events in such a way 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 IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e para. 1 of the 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 Statement, 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 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 the safeguards we have taken.

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 Section 317 (3b) of the German Commercial Code (HGB)

Auditor’ Report

Pursuant to Section 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-2021-12-31.zip" and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 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 01/01/2021 to 31/12/2020 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 Section 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 Section 317 para 3b HGB (IDW EPS 410). 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).

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

The legal representatives 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 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 Section 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 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 Section 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 material breaches – whether intentional or unintentional – of the requirements of Section 328 (1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a 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 27/04/2021. We were commissioned by the Chairperson of the Audit Committee of the Supervisory Board on 13/01/2022. 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 published in the Federal Gazette – 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. Anselm von Ritter.

Stuttgart, 04/03/2022

Ebner Stolz GmbH & Co. KG

Auditing and Tax Consulting Company

Dr. Christoph Eppinger	Anselm von Ritter
Auditor	Auditor

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